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*Department
of Health*

Reviewing the
disabled facilities
grant programme

housing



Office of the
Deputy Prime Minister

Creating sustainable communities

Reviewing the disabled facilities grant programme

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The findings and recommendations in this report are those of the authors and do not necessarily represent the views or proposed policies of Government

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Executive Summary

In January 2004 the Government announced there would be an inter-departmental review of DFG involving the Office of the Deputy Prime Minister (ODPM), the Department of Health (DOH) and the Department for Education and Skills (DfES). A Review Group including representatives of key stakeholders was established to oversee the review and this group commissioned an independent study from Bristol University to review and make recommendations for change. This report presents the key findings and recommendations of the commissioned study. Its conclusions and recommendations are those of the authors and do not necessarily represent the views or proposals of the Government.

Context

In the 21st century society no longer expects disabled people to be confined to institutions or trapped in unsuitable housing, with no autonomy or dignity. A combination of technological advance and growing understanding has created expectations of social inclusion and equality of opportunity.

Policies of care in the community are better for the individuals and for the public purse. Suitable housing is the foundation of community care, and adaptations to the home may be seen as an investment in the life chances of disabled people that will deliver returns for both the individuals and the State.

What is the DFG and how is it organised?

The Disabled Facilities Grant (DFG) was introduced in 1990. Subject to a means test, it gives a mandatory right to any eligible disabled person to a grant to alter their dwelling so that they are able safely to gain access to and use all the normal facilities of home, and to care for others where this is relevant.

The DFG is administered by housing authorities, usually in close co-operation with social services because community occupational therapists are usually needed to assess and recommend what adaptations are required. Each housing authority receives a ring-fenced allocation from Government which may be used to fund 60% of any DFG. This ring-fenced budget may be used for adaptations in all tenures except council housing. DFGs for council tenants are funded from the Housing Revenue Account, or capital.

The ring-fenced budget of the DFG is only part of the system for funding adaptations. During 2003–4, 19% of adaptations were funded from this source. Social services and social landlords between them fund most adaptations under £1000. Council housing departments fund all major adaptations to their stock from capital or the housing revenue account. Many housing associations use their own resources (with occasional help from the Housing Corporation) to fund adaptations for their tenants, because the DFG system is too overloaded. Social services departments contribute to adaptations over the DFG grant limit and in some other ways.

The reason for review, the research brief and approach

The call for a review of the system relates chiefly to those who have been excluded by the rules or practice of the DFG system. It is the result of growing concern regarding: the DFG means test, particularly its impact on children and working age adults; increasing demand and long waiting lists; and observed inequity between housing tenures.

The research brief was to consider these key items together with the coherence of the DOH /ODPM approach to adaptations; the operation of the ring-fenced ODPM budget and issues affecting administration of DFG at local levels. Methods included a pilot case study; a national survey of housing and associated social services authorities, modelling of the costs of a range of options for change, and widespread consultation with professionals and service users.

Effectiveness of Disabled Facilities Grants

Adaptations given through the DFG are consistently effective. They produce significant health gains and prevent accidents and admission to residential care. Research has shown major improvements in quality of life and independence for DFG recipients. Disabled children and their siblings benefit in development, education and social contact. Carers suffer less stress and have reduced likelihood of back injury.

The DFG is therefore contributing to a raft of Government policies, including social inclusion, community care, hospital discharge, accident prevention, quality of life, support for carers, inclusive education and the reduction of child poverty.

Strengths of the current system

The strengths of the DFG system at a national level are seen to be the existence of a mandatory, equality-based grant and the backing of this with a ring-fenced budget.

At local level, the key strengths are the co-operation that has built up between housing and occupational therapy staff, problem-solving approaches by professionals and builders, and the work of Home Improvement Agencies and Disabled Persons Housing Services. Where social services have adequate systems and budgets for support when the limits of the DFG are reached, this is a crucial additional strength.

Existing structures have allowed the development of much good innovative practice. Examples include the use of relocation grants (with DFG as necessary); fast-track systems for work under £4000; close working with Integrated Community Equipment Stores (ICES); use of modular buildings that can then be recycled; disability housing registers and, in appropriate cases, the use of schemes such as Houseproud as an alternative to DFG.

Problems of the current system

The problems with the current system can be summarised as follows:

- The Test of Resources, in limiting who is eligible for help, excludes some people in great need, especially among families with disabled children and adults of working age. For these people, it bears no relation to real outgoings and severely discourages those who work by requiring a level of contribution that for many represents an unsustainable burden.
- The maximum grant limit of the DFG is not sufficient in most areas to provide an extension, the adaptation most likely to be needed by those who are most seriously disabled. The uncertain arrangements for funding adaptations above this limit mean that it is these most seriously disabled people who are most likely to be left in need or to wait the longest.
- Older people entitled to adaptations are being screened out by some social services authorities through inappropriate use of the guidance on Fair Access to Care Services.
- The needs of disabled children and their siblings or other family members, or of people with seriously challenging behaviour, are not covered with unequivocal clarity in the provisions of the mandatory DFG.
- In 2003–4, 47% of all housing authorities had insufficient capital to meet valid DFG applications and the median shortfall was 44% of the annual spend.
- There is, in some areas, a serious shortage of community occupational therapists to carry out DFG assessments.
- Delays, with serious consequences, may be caused by the wait for occupational therapist assessment (average 97 working days). They may also be caused when the local authority capital budget for adaptations is already fully committed; when applicants are unable to raise their contributions as assessed by the test of resources; when the maximum grant is too low to meet the cost of the work needed, or by a shortage of builders to carry out the work.
- There are inequalities between tenures. Private tenants are in a weak position; tenants of housing associations suffer from divided responsibility and fudging; council tenants cannot share in the DFG ring-fenced allocation.
- Information to service users and potential service users is mostly extremely poor, for fear of discovering need that cannot be met.
- The effectiveness of Home Improvement Agencies, who are involved in the delivery of nearly half of all DFGs, is continually threatened by uncertainty about core funding and the squeeze on fee income.
- There is a grave shortage of housing stock suitable for re-housing as an alternative to adaptation for disabled households in any tenure. For families, a wait of three years or more would be likely in 70% of all authorities.

- The question of unpredictable risk, which makes budgeting for the occasional very-high cost adaptation impossible for relatively small authorities or agencies, is an endemic problem that needs a national solution.
- Only some senior social services managers and probably even fewer NHS senior managers are engaged in policy or strategy on adaptation issues, despite its implications for them.

Under-investment in Disabled Facilities Grants is leading to a waste of public resources. The Audit Commission has calculated that one year's delay in providing an adaptation to an older person costs up to £4000 in extra home-care hours. When residential or hospital care is needed because of a lack of adaptations, the costs within three years are eight times higher than the cost of the adaptation and continue to rise.

Causes of the problems

The root cause of most DFG problems are to do with strategy and, stemming from strategy, funding. There has been no adaptations strategy across government departments that considers costs and benefits and links the issue to other housing, health and social care policies, in order to achieve best use of resources. And there is no mechanism for producing such a strategy. In particular, there is no link between the ODPM and the parts of the Department of Health that deal with hospitals and Primary Care Trusts – yet this is where links are needed because of the preventative and therapeutic nature of housing adaptations.

The lack of a strategy at a national level means lack of regional and local strategy. There have been no structures or systems to facilitate implementation of national policy and creation of strategies at the appropriate local levels from the region downwards (including the health and housing association hierarchies). Information essential to policy evaluation is not collected. There are no performance targets or incentives for senior managers.

There is an urgent need to develop policy on the funding of housing association adaptations.

Tackling issues of discourse, to shift the thinking from 'welfare' to 'investment', is part of the strategic challenge.

Recommendations

Our recommendations for change fall into two categories:

- Immediate recommendations in relation to the disabled facilities grant
- Important strategic and broader topics that need to be addressed at national, regional and local levels.

MAIN RECOMMENDATIONS IN REGARD TO DFG LEGISLATION AND POLICY

1. The Mandatory DFG to be retained.
2. The ring-fenced budget to be retained, but with greater flexibility so that it may be used for matters beyond the mandatory items for example, towards relocation costs when relocation is preferred to adaptation.
3. The mandatory grant limit to be increased to £50,000, index-linked to building costs. This change is vital for the small number of most seriously disabled people, including children, to speed up the adaptation process, ensure appropriate adaptations, improve life chances and prevent less productive ongoing health and social care costs. It will require an estimated increase of 7.4% (£12.9 million) in the annual DFG budget. The increase in total public expenditure will be less because work over the current limit is often eventually funded through social services and housing, in ways costly in officer time and delay. Raising the limit will lead to more efficient use of public resources.
4. Means testing for adaptations for children to be ended. We estimate that this would add £11.6 million per annum to the DFG budget (6.7% increase). This will remove the disincentive to work for parents, end the delay that is harmful to children's life chances, and produce significant savings through improving the health of parents and children and preventing accidents. About £1 million per year will also be saved in the cost of means testing alone.
5. The practice of applying the test of resources to cases where the cost of works is less than £4,000 should be reviewed. On pragmatic grounds there is a strong case for exempting all such cases from means testing: it represents poor value for money. We estimate this change would cost £23.1 mill per annum (13.3% budget increase). However, if it is not possible to move to this position directly then as a first step all those on means-tested benefits should be exempt from the test of resources. This change alone will not affect the contributions of many applicants but will produce savings through avoiding the administrative costs of means testing.
6. Replace the existing test of resources with one broadly based on Fairer Charging for Care Services (FCCS) principles. This would disregard earned income and take actual housing costs into account, but be modified to incorporate a minimum allowance for housing costs. This change is estimated to add £51.0 million to the DFG budget (29.4% increase). The modification to the treatment of housing costs is necessary to ensure that no one is disadvantaged by the change. Without the modification many of those with low housing costs – typically older people – would find their contributions increased. No one we interviewed wished to make it harder for older people to access services. Changing to a modified FCCS system is important because it will remove the current disincentives to work and more adequately reflect disposable incomes. While it initially requires additional outlay it will have beneficial effects as disabled people of working age and their partners are able to maximise their earning capacity. Enabling these households to get the adaptations they need will also produce savings in health and social care costs.
7. The capital limits used in the test of resources should be increased to £50,000. This change will be of particular benefit to older households. It is a recognition that household savings may have to last for a retirement period lasting 30 years, and have to cover a wide range of expenses. This change is in line with other Government policies of not penalising those on moderate means because they have saved.

8. Where an insurance or court decision after the DFG includes a settlement for the cost of adaptation, an appropriate sum to be repaid to the DFG budget. The key factor with adaptations is speed of implementation. This provision will allow swift provision even if a court case is underway, but will ensure that funding available to the local authority is maximised.
9. For extensions only, a tapering charge in the event of sale to be placed on the property for a maximum of five years. This proposal will allow some adaptation capital to be recycled.
10. The scope of the mandatory Disabled Facilities Grant to be extended to include:
 - wider needs of children.
 - space for family life.
 - clear right of access to garden.
 - provisions to allow someone to work from home.
11. Eligibility for assistance to be extended to cover more explicitly those with challenging behaviour and some other groups.
12. Stairlifts to be redesignated as equipment, so that they may be loaned and recycled. Responsibility for their supply and servicing to be carefully transferred to the Integrated Community Equipment Stores funded by social services and the NHS. The extent to which resources are transferred to, or the cost of this change is taken on wholly by, the Department of Health will be subject to negotiation. There are clear and direct health benefits from the fitting of stairlifts – prevention of accidents, pain reduction, improved well being – and this might be seen as a wise large-scale invest-to-save health project, which will produce real savings in demand on acute services, and better outcomes for service-users.
13. Housing associations to use their own resources to fund minor adaptations that are not funded by social services.
14. VAT to be abolished on all works of adaptation, including the fees of Home Improvement Agencies.

STRATEGIC AND OTHER KEY ISSUES

National

15. A new approach to adaptations will configure them not as welfare provision, but as an opportunity for investment that will benefit simultaneously the individual and the State. Adaptations to be redesignated in a way that will more easily suggest the change in approach and secure investment. ‘Environmental Technology’ (ET) is one possibility.
16. An interdepartmental strategic working group to be established by December 2005, possibly within the framework of the Improving Life Chances implementation group, the Office for Disability Issues, to plan a national strategy for adaptations, including the DFG, within the new approach. Its tasks will include:

- Devising suitable measures applicable to senior regional and local authority managers for service planning and delivery of adaptation and related policies at regional and local levels
 - Ensuring that planning for adaptations is linked to policies of new build and renovation at national, regional and local levels.
 - Tackling the problem of funding major adaptations in housing associations and producing a solution.
 - Devising a way of creating a level playing field in the funding of adaptations for council tenants.
 - Considering improvements to the core funding of Home Improvement Agencies
 - Clarifying with Directors of Social Services authorities the mandatory nature of the Disabled Facilities Grant
 - Addressing the question of the use of community occupational therapy skills in a situation of national shortage, and making appropriate recommendations
 - Examining mechanisms for giving greater control over the adaptations process to disabled people.
17. With the support of the Strategic group, the Department of Health to consider ways of investing in adaptations in order to achieve savings in acute and residential services.
18. Research or monitoring systems to be set in place to measure the impact of this investment in adaptations.

Regional

19. Regional Housing Boards and Government Regional Offices to be required to develop an adaptations strategy within both Regional Housing Plans and Regional Spatial Strategies.

Local

20. At appropriate local levels, depending on location, strategic groups to be established to reflect strategic thinking from the centre. Their task will be to devise a strategy to include all aspects of housing for disabled people and links to new build, domiciliary services, children's services education, hospital discharge and prevention. These groups to publish their plans for involvement of service users and to commission the discovery of need besides planning for improvements to service delivery.

CHAPTER 1

Introduction

What is the Disabled Facilities Grant and how is it funded?

- 1.1 In the Local Government and Housing Act 1989 (subsequently amended in the Housing Grants, Construction and Regeneration Act, 1996) Parliament made provision that any disabled person who could not access or use the ordinary facilities of their home would be entitled (subject to various conditions and a means test) to a grant to have their home adapted.
- 1.2 The legislation¹ spells out the mandatory rights of all disabled people to access to a suitable bath and/or shower in their home, to a flushing toilet, to the normal use of all the principal rooms including the kitchen, to suitable heating and to the means of controlling light, power and heat. For disabled carers (including parents) there is a provision for adaptations that will allow them to carry out their caring role. For all disabled people there is a right to access in and out of the home and to provisions for safety.
- 1.3 This Disabled Facilities Grant (DFG) is administered by local housing authorities 'in consultation with the welfare authority'. This most commonly means that the assessment of what is needed is done by an occupational therapist working for social services, who then makes recommendations to the housing grants officers.
- 1.4 The Test of Resources (means test) that is employed whenever the DFG process is used, is specified by the ODPM and is the same for all tenures and all parts of the country.
- 1.5 A ring-fenced allocation of central government funding is made through the ODPM to the housing authority for DFGs. This may be used to fund 60% of the cost of each DFG up to the grant limit, which in June 2005 is £25,000. Housing authorities must find the other 40% and the full costs of any work beyond the allocation. The ring-fenced pot may be used for all tenures except council housing.
- 1.6 Some local authority landlords carry out adaptations without using the DFG process, as do some housing association landlords. For tenants this has advantages (swifter; no means test) and disadvantages (less likely to offer full rights, more likely to require a move). The funding of adaptations for housing association tenants is particularly complex and is explained more fully in chapter three.
- 1.7 Social Services authorities also have duties, under the 1970 Chronically Sick and Disabled Persons Act, regarding adaptations. Currently, while the DFG generally

¹ Housing Grants, Construction and Regeneration Act 1996, Part 1, Chapter 1, Section 23(1)

provides for the larger adaptations, social services programmes cover equipment and some adaptations up to £1,000. These must be provided free of charge. Social services can also make loans or grants to cover the gaps in DFG provision including work over the DFG grant limit and help with a DFG applicant's required contribution.

Policy context

One of the most significant barriers to enabling disabled people to be full citizens is the culture of care and dependency within health and social care structures. Associated with this 'culture of care' is failure to see expenditure on independent living as a form of social and economic investment. Instead of meeting disabled people's additional requirements to enable them to improve their life chances, resources are used in ways that maintain and create dependency.

Prime Minister's Strategy Unit (2005)²

- 1.8 This research report is made in the context of a strategy commitment from the heart of Government to improve the life chances of disabled people. Throughout the Strategy Unit report, housing is listed as an issue that must be tackled urgently and immediately. The importance of housing adaptations is also emphasised in three new key policy documents that come from the Department of Health, the Department of Work and Pensions and the Social Exclusion Unit³. The review of the Disabled Facilities Grant is therefore most timely.
- 1.9 The introduction of the mandatory DFG in 1990 was part of the growing agenda of inclusion to which Government was committed. This agenda of inclusion has been reflected in the establishment of the Disability Rights Commission and, more recently, in the move towards a single equalities body that will include specifically the needs of older people as well as of younger disabled people. The DFG's status as an equality-based entitlement reflects the 'social justice' theme of the Strategy Unit⁴ report. The next step on, as this report will suggest, is to understand the DFG programme as one of investment, not welfare.

What is currently being delivered

- 1.10 The expenditure on Disabled Facilities Grants in England provides more than 30,000 disabled people each year with adaptations, worth on average £6,000 each.⁵ Of these 30,000 people, some 70%⁶ are older people; 25% are adults of working age (often themselves carers and/or parents) and 5% are disabled children and young people under 19. These children may have physical impairments, learning difficulties or combinations of these.

² Prime Minister's Strategy Unit (2005) section 4.2.

³ DH (2005) *Independence, well-being and choice*; DWP (2005) *Opportunity Age: meeting the challenges of ageing in the 21st century*; SEU (2005) *Excluded older people*.

⁴ Prime Minister's Strategy Unit (2005).

⁵ Office of the Deputy Prime Minister (2004b): 5, 19.

⁶ The percentage figures for these three age groups are from Office of the Deputy Prime Minister (2004b), paragraph 5.

Why a review is needed

- 1.11 Although the Disabled Facilities Grant has benefited many people,⁷ certain problems have prompted a review of the system.
- 1.12 The demand on the ring-fenced Disabled Facilities Grant budget is growing due to community care policies, an ageing population,⁸ growing numbers of seriously disabled children, and a great increase in eligible applicants following tenure changes.⁹
- 1.13 Growing demand and resource constraints have led to long waiting lists.
- 1.14 There have consequently been concerns over whether the most effective use is being made of available resources, and whether the financial and organisational systems currently in place offer the fairest and most effective means possible for the provision of housing adaptations for disabled people.
- 1.15 In particular there is a concern over whether the current means test is acting unfairly on certain groups. The decision of the Northern Ireland Office to abolish the means test for families with a disabled child from February 2004, and a similar announcement for Wales, to apply from September 2005, have been responses to this problem.
- 1.16 In the meantime, indicative evidence on the cost benefits of adaptations in terms of accident prevention, health improvement and prevention of admission to hospital or care, has been growing (see chapter 2) and is another reason for reviewing systems and levels of investment.

The Inter-departmental review

- 1.17 It was in this context of growing demand, and growing concern about some aspects of the system, that the Office of the Deputy Prime Minister in 2004 set up a review group jointly with the Department of Health and the Department for Education and Skills. Its brief was:

‘To review the operation and outcomes of the Disabled Facilities Grant Programme and to make proposals to improve the efficiency and fairness of the provision of housing adaptations for disabled people.’¹⁰

- 1.18 Within this brief, research was commissioned from the University of Bristol, to consider:

(1) modifications or alternatives to the means test, and

⁷ For detailed evidence, see chapter 2.

⁸ Between 1991 and 2001 the number of people over 85 in the UK grew by 22% (OPCS, Census 1991 and 2001, cited Fieldhouse (2002). People over 85 are twice as likely to be seriously disabled as those in the age group 75–84.

⁹ This is not just due to growth in the owner-occupied sector. 926,000 former council dwellings that have been transferred to housing associations under the Large Scale Voluntary Transfer programme have become eligible for DFGs from the ring-fenced pot.

¹⁰ Office of the Deputy Prime Minister, Review group terms of reference, November 2004.

(2) a range of broader issues:

- The overall coherence of Office of the Deputy Prime Minister and Department of Health programmes for the effective administration of Disabled Facilities Grant;
- The continuing need for a local authority mandatory duty under Disabled Facilities Grant;
- The operation of the ring-fenced ODPM budget;
- The equity between owner-occupiers and tenants in the private and social rented sector;
- Other issues affecting the quality of the administration of Disabled Facilities Grants at a local level.

Research Aims and objectives

1.19 In order to support and inform the tasks outlined in the Terms of Reference, the research undertaken for this review set out:

- to establish a clear picture of the situation, including expenditure; met need; strengths of existing systems, including the role of Home Improvement Agencies; unmet need; consequences and costs of unmet need; financial problems; legislative obstacles; structural obstacles (including inter-departmental & inter-agency); and causes of waste; and
- to consult as widely as possible about: the original key questions; ideas for change; and informed responses to proposals.

The research approach

1.20 Research methods adopted were:

- A review of published evidence and grey literature.
- An in-depth study of one authority, as a pilot for the national survey
- Workshops and interviews to discover stakeholder views and ideas for change
- A national survey of a random structured sample of 10% of local authorities to establish factual information on policies and spending.¹¹
- Second stage workshops and interviews to discover stakeholder views on possible proposed financial and other options.

¹¹ The Bristol research team here wish to acknowledge with thanks the generous help of Chris Jones who had pioneered a survey in his research for the Welsh Assembly and allowed us to use it as the basis for our own survey.

- The modelling of a range of options, to discover the financial implications of any proposals.

Fuller details of methodology and sampling are given at Annex C.

Interest generated by this review

- 1.21 The reaction of stakeholders to the setting up of the Joint Review has been overwhelming – exceptional in the experience of the research team. It reflects the importance of the topic to so many people and the widespread desire to see good outcomes from the review.

Structure of the report

- 1.22 After the introductory chapter, the report is divided into four principal sections. **Chapter two** deals with the importance of housing adaptations and their role in improving life chances, and gives indicative evidence of the costs of not adapting. **Chapter three** gives details of the current DFG system, locates it in the context of wider adaptations policies and describes some ways in which it is delivered. It lists first the strengths and benefits of the system, then some major problems, and analyses the causes of these. **Chapter four** sets out some options for change, with costs and benefits where appropriate and feasible. These include structural changes and changes to regulation and means testing. **Chapter five** lists the conclusions and recommendations of the research. The detailed evidence on which the report is based is provided in the annexes.

CHAPTER 2

The importance of housing adaptations

- 2.1 There is a wealth of detailed evidence that housing adaptations are beneficial to individuals, families and the state. The evidence presented here will indicate why it is appropriate to treat them as an investment that will deliver dividends in terms of both social benefits and financial savings.

The benefits of adaptations to individuals and families

HEALTH

- 2.2 Adaptations improve the health of disabled people and other family members.¹² Sometimes the change is so dramatic that service users talk of their lives being 'transformed' or prolonged by the restoration of independence and dignity and the removal of fear of accidents and of strained personal relations in the home. Adaptations can reduce pain for the disabled person, back injuries to carers and depression in both the disabled person and carers.¹³ These are the health benefits repeatedly reported by service users.¹⁴ In cases where a fall and fracture are prevented, the costs of hospitalisation, surgery, physiotherapy and other rehabilitation will be saved. Bathing adaptations for disabled children have been shown to reduce the incidence of soft-tissue injury to parents.¹⁵ The evidence on these points is unambiguous. More details are given below in paragraphs 2.16–2.20. The Bristol case study for this research included (as yet small-scale) specific evidence that disabled people use less prescribed medicine and visit doctors less, following adaptations.

QUALITY OF LIFE

- 2.3 Quality of life improves measurably following adaptations. 'Adaptations appeared to have positive effects on health (physical or mental), productivity, leisure, play and social aspects of individuals'.¹⁶ Recent research by Watson and Crowther found that 98.5% of

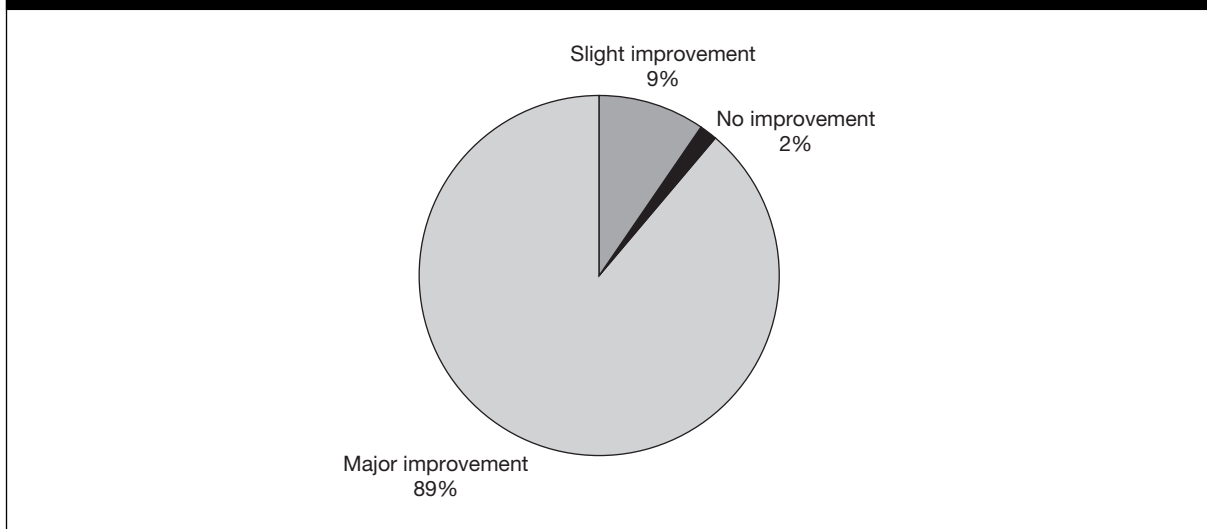
¹² Adams and Grisbrooke (1998), Clemson and Martin (1996), Johnson (1998), Nikolaus and Bach (2003). Allen (2005b) also gives evidence of the health benefits of housing improvement and adaptation to people with disabling chronic illness.

¹³ Heywood (2004): 19–20; Watson and Crowther (2005): 12.

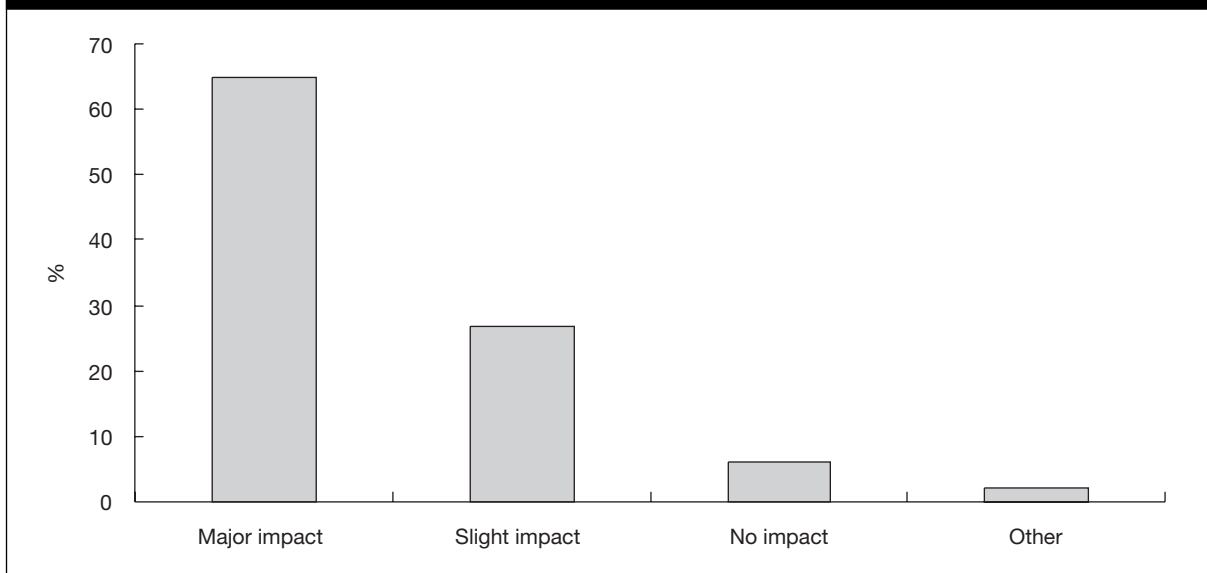
¹⁴ Heywood (2001).

¹⁵ Payne (1998): 32.

¹⁶ Awang (2004).

Figure 2.1 Effects of major adaptations on quality of life

(Source: Watson and Crowther, 2005)

Figure 2.2 Effect of adaptations on independence

(Source: Adapted from Watson and Crowther, 2005)

people who have had adaptations reported an improved quality of life, 89% saying it had improved 'a lot' (See Figure 2.1).¹⁷

INDEPENDENCE

2.4 Increased independence for the disabled person is another outcome consistently found following adaptation. This may mean managing in the home without any or with considerably less help, or it may mean an increased sense of autonomy and control. In the same recent study, 92% of clients said adaptations had improved their level of independence to some extent; 65% saying that it had improved it 'a lot' (see Figure 2.2).

¹⁷ Watson and Crowther (2005): 8.

SOCIAL INCLUSION

- 2.5 Disability can trap people, excluding them not just from work but from normal social life. This is not just the result of physical barriers like steps. Those unable to bathe, shy away from social interaction because they feel embarrassed at their poor level of personal hygiene.¹⁸ Adaptations overcome these problems and allow disabled people to take a fuller part in society, reducing the social and financial costs of depression.

THE IMPORTANCE OF HOME

- 2.6 It is perhaps so self-evident that it hardly needs stating, but the first function of adaptations is to allow people to stay in their own home, with the support networks they cherish. This is the aspect of adaptation that service users of all ages value above all. Individuals and families feel empowered when they achieve the basic goal of a home 'like other people's'.¹⁹
- 2.7 At the root of the Government policy of care in the community lies the conviction that people thrive best in their own home. A growing body of international literature has examined the evidence more critically and begun to explain analytically the practical, emotional and cultural function of the home.²⁰ Evidence from service users reflects this analysis. The home is important. Adaptation allows people to remain in their home, and to move only if this is their choice. And if it has become a place of suffering and struggle, with no autonomy, adaptations turn it back into a home, where people can live with dignity. Adaptations mean that disabled individuals and their families have a secure base from which to live their lives, with enough space to lead a normal family life and the facilities that anyone else would expect. The consequences of appropriate adaptation are therefore far-reaching, affecting every aspect of life.

CHILDHOOD AND FAMILY LIFE

- 2.8 All members of the family suffer when their home is unsuitable and all benefit from adaptations. These aid development and education (both of the disabled child and siblings), and improve everyone's life chances because the strain is reduced.²¹ The example in Box 2.1 illustrates what research in this field has repeatedly shown: suitable housing adaptations for families with a seriously disabled child are absolutely essential to the children's life chances and family's well-being.

The benefits of adaptations to government

- 2.9 Housing adaptations deliver good outcomes on many government policies, including: care in the community; prevention of accidents and admission to hospital; swift discharge from hospital; support to carers; social inclusion of disabled people, including opportunities for work; improved well-being and quality of life; reduction of child poverty and improved educational opportunities (see illustrations below).

¹⁸ Heywood (2001).

¹⁹ These were the views consistently put forward during user-consultation for this research.

²⁰ Gurney (1990); Somerville (1997); Porteous and Smith (2001); Mallett (2004).

²¹ Oldman and Beresford (1998); Beresford and Oldman (2002).

Box 2.1 The importance of adaptations for a child's life chances and a family's well-being: an example from the review

A couple have three children. The middle child has autism and mobility problems. He cannot climb stairs, has challenging behaviour²² and, before the adaptation, had, for safety, to sleep in the parents' bedroom, although this meant they suffered serious and sustained loss of sleep. After a five-year wait, an extension was built, and a radical change began. The child was no longer constantly frustrated and his mobility, behaviour and speech all improved noticeably. He addressed his parents by name for the first time. The parents were no longer his 'gaolers' and the other children could be secure in their home.²³ The sad part of this story is the years of childhood lost to the child and his siblings because of the long delay.

Spending on adaptations can reduce households' current and future need to call on assistance and support across a whole range of aspects of life. A holistic perspective on adaptations is therefore essential. The essential economic point is that a one-off capital outlay on adaptations eliminates or greatly reduces long-term revenue commitments.

Not adapting: the costs to the public purse

2.10 Housing adaptations are good value for money because of their lasting benefits. A decision not to adapt is not a nil cost option for the public purse. If insufficient resources are allocated, there is likely to be as much or greater public expenditure (albeit by other Departments) but for inferior returns. This point is forcefully made in the Prime Minister's Strategy Unit report (pp.73–4). This report also highlights the problems that flow from an inability to construct a holistic picture of the costs and benefits of different courses of action, including inaction:

'There is at present no mechanism for considering the implications of failing to provide – or of delays in providing – adaptations on other programmes and budgets ... This can result in unnecessarily high costs ... Making such relationships transparent, and taking them into account in decisions about budget allocations, should enable a more cost-effective approach to supporting independent living'.²⁴

2.11 Quantitative research to discover the costs on a national scale of not adapting has not yet been carried out, but by putting together individual examples, smaller pieces of work and known figures on the costs of the alternatives, it is possible to give some indication of where waste is occurring, and its probable scale.

HOME CARE COSTS – DELAY COSTS MONEY

2.12 Appropriate adaptations and Assistive Technology can facilitate independence, both by substituting for traditional formal care services and by supplementing these services in a cost-effective way.²⁵ Shortage of capital or shortage of staff are the normal reasons for delay in providing adaptations but delay itself nearly always has a cost attached.

²² 'Challenging behaviour' includes smashing anything that is breakable, including glass (with the risk of self-injury) and, in frustration and anger, hitting other people, including, in this case, both other children in the family including one much younger.

²³ Mencap, interview.

²⁴ PMSU (2005), p99.

²⁵ Lansley et al (2004), p571.

The Audit Commission in 1998 calculated that a year's delay in providing quite modest adaptations cost up to £4,000 in additional home-care hours. They made the point that this was not good value for money.²⁶ A recent study in one authority found that one occupational therapist in seven adaptation cases saved £15,000 a year in care packages.²⁷ Lansley, McCreadie and Tinker (2004) concluded that, in most cases, initial investment in adaptation and Assistive Technology for older people is recouped through subsequently lower care costs during their lifetime (not including residential care costs).²⁸

RESIDENTIAL CARE COSTS

- 2.13 Without suitable housing, community care policies are not feasible. The Disabled Facilities Grant programme has helped many thousands of disabled people to live independently in their own homes. This has helped reduce pressure on hospital beds and residential care – and has almost certainly reduced pressure on social services and National Health Service budgets.²⁹

Box 2.2 The consequences of not adapting

A couple who cannot afford their assessed contribution have to use the services of four carers each day, to help with washing, dressing and food preparation. If the adaptations were completed by means of a one-off payment, this care input would reduce to one visit a day as the wife would be able to complete many of the tasks herself, restoring her independence and hugely improving her quality of life.

(East Sussex Disability Association, interview 4)

For children and young people

- 2.14 The cost of a 5-day a week residential placement for a disabled child is between £396 and £805 (2001 prices) each week.³⁰ In a not un-typical case submitted to the review group³¹ a child had been in care for 5 days a week for four years because of lack of adaptations or suitable re-housing. So far this placement has cost from £82,308 up to £167,440, yet one-off adaptations might have cost the State just £40,000.
- 2.15 In another case, because no adaptations were provided, a lone mother requested residential care for her son with Attention Deficit Hyperactivity Disorder (ADHD) to enable his sister to get adequate sleep, education and family life. Such a residential placement costs between £100,000 and £200,000 a year.³² Ten such cases a year nationally will mean an *annual* outlay of between £1–2 million.

²⁶ Audit Commission (1998), p32.

²⁷ Interview for this research with representative of the Association of Directors of Social Services Disability Committee.

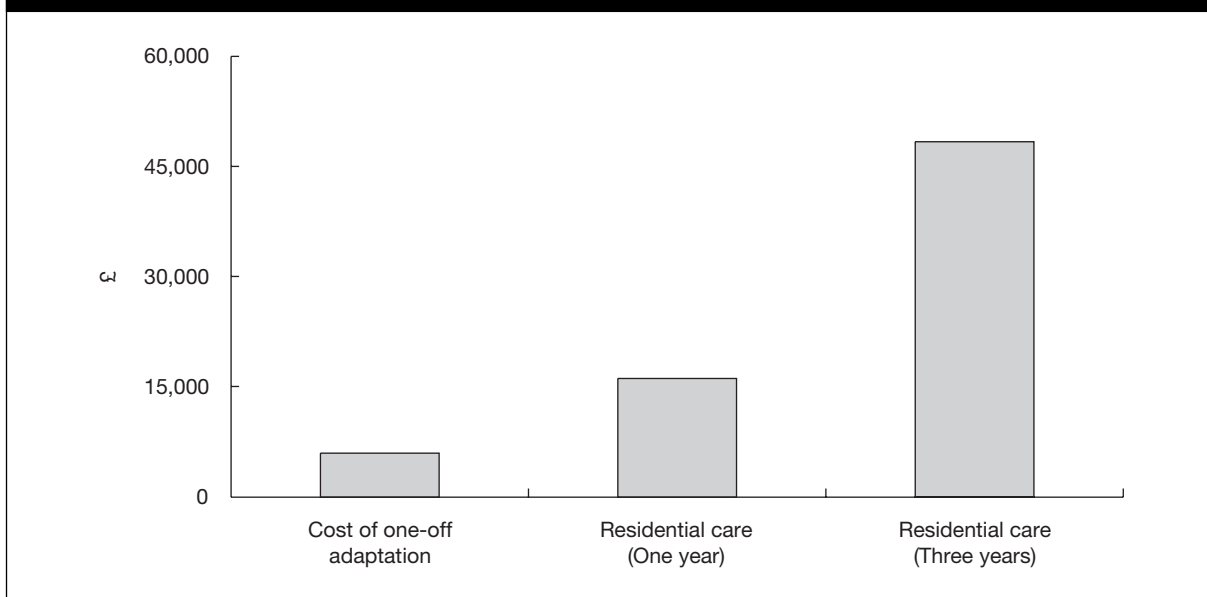
²⁸ Lansley et al (2004).

²⁹ Office of the Deputy Prime Minister (2004b).

³⁰ Figure for one day's residential placement for disabled child, Northumbria Council Website: 2004 <http://www.northumberland.gov.uk/%5Cdrftp%5C653.asp> Jennifer Beecham, (2001) Disabled Children and their families: the research evidence. Personal Social Services Research Unit, Discussion Paper 1708. Available at <http://www.pssru.ac.uk>

³¹ College of Occupational Therapists paper submitted to Review Group (Paper 4) July 2004.

³² Disabled children in residential placements. Available at http://www.teachernet.gov.uk/_doc/6462/Disabled%20Children%20in%20%20Residential%20Placements.doc

Figure 2.3 Residential costs compared to adaptation costs

For older people

- 2.16 For older people, too, lack of a single payment for adaptations, costing on average £6,000, may mean residential care costs varying from £16,120³³ to £33,800 for a year, which over 3 years (the average life expectancy in residential care) would amount to £48,360 or £101,400 respectively (see Figure 2.3). One research study found that almost one in ten randomly-selected adult recipients of adaptations had been kept out of residential care as a direct result of adaptation.³⁴
- 2.17 If, in each of England's 354 local housing authorities, ten older people a year enter residential care, when adaptations costing £6,000 would have prevented this, and remain there for an average of 3 years at a cost of £16,120 per year, the difference in cost at a national level over three years is £149 million. This example illustrates the order of difference in costs.

HOSPITAL CARE COSTS

- 2.18 An interview with child health professionals in January 2005 revealed the case of a child who, for lack of suitable re-housing and adaptation has been living in a children's hospital for three years. At £650 per day³⁵, this had already cost the National Health Service £711,750 (nearly three quarters of a million pounds). If £100,000 had been spent on relocation and adaptation, even if there were support costs for the child at home of £1,000 per week, the total cost for three years would still be only £256,000 (nearly half a million less) and the savings would increase year on year. The researchers do not know how many such cases exist nationally. This case emerged from interviewing paediatric specialists from just one NHS Trust. It was the most extreme of a number of cases known to them, where adaptation was prevented by the upper limit or the cost of the parental contribution or the serious shortage of suitable alternative housing for families with a disabled member, as revealed in our national survey.

³³ Sources: Hampshire Council Website. Laing (2004). (These rates refer to care of older people and older people with dementia.); Curtis and Netten (2004).

³⁴ Heywood (2001), p21.

³⁵ Figure supplied by the professionals concerned.

COSTS OF ACCIDENTS AND OTHER HEALTH CARE

- 2.19 Falls make up 52 % of the 3,000 fatal accidents in the home each year in the UK³⁶, and over 60 % of the fatal accidents to older people in the home result from falls on the stairs. The fitting of a second banister rail or a stair lift reduces the danger. Stair lifts may also be used to carry things up and down stairs, reducing the extra risk caused when someone is carrying an object and has no hand free to steady themselves.³⁷
- 2.20 The National Service Framework for Older People (Department of Health 2001), Standard 6, highlights the role of safe housing in the prevention of falls in older people. It reports that, even though most falls result in only minor injury (p76), 50% of those who sustain a fracture in the presence of osteoporosis will not live independently again afterwards (p77). Thus preventing falls can reduce the cost to the health service as well as the social care budget.³⁸ There is a strong case for the preventative installation of adaptations to help prevent falls, and there have been some pioneering projects aimed at achieving this.³⁹
- 2.21 More costly even than hip fractures, are back injuries to family carers because these may have life-long implications and affect the ability to work, be independent and contribute to the national economy. As the research for this project has shown, many carers are lifting partners or children specifically because National Health Service and care workers are forbidden to do so, but are thereby risking their own backs. Other research has shown carers who have fallen down stairs whilst carrying children or have been hospitalised following injuries to their backs whilst waiting for adaptations.⁴⁰ The annual cost to the National Health Service of treating back pain and injury has been estimated at £481 million, without taking into account the cost in benefits to those who are long term sick.⁴¹ There is no means at present of knowing how much the cost of back injury to carers is, but what is clear is that it is a cost that need not be incurred if preventative adaptations were put in place.
- 2.22 Finally, there are the costs of drugs given as pain relief and to tackle depression, amongst both disabled people and carers. No work has yet been carried out to quantify the cost of such drugs that might be saved, but as pain and depression are common experiences of people in non-adapted housing,⁴² it is information that ought to be gathered.

Loss of opportunity to work

- 2.23 The current test of resources is a disincentive to work (see chapter three). There is also the financial cost to the nation of losing people's productivity when the lack of adaptations makes it impossible for them to work.⁴³ Lack of childcare is a major

³⁶ www.dti.gov.uk/homesafetynetwork May 2005.

³⁷ www.rospa.com/homesafety May 2005

³⁸ Grisbrooke, (2004) private communication in advance of publication.

³⁹ See for example Robertson (2002); Parkinson and Pierpoint (2000).

⁴⁰ Heywood (2001) (20% of the parents in this sample had had one of these experiences).

⁴¹ Health and Safety Executive (2002) CRR 441/2002 Initiative evaluation report. http://www.hse.gov.uk/research/crr_hm/2002/crr02441.htm

⁴² Heywood (2001, 2005); Allen (2005b), which relates to poor housing as well as unadapted housing; Percival and Hanson (2005).

⁴³ Prime Minister's Strategy Unit (2005) p 46–47, citing Family Fund Trust (2002) and General Household Survey (2002).

problem. Sometimes this would be given in the home (including overnight), but if a home is not adapted, professional carers will not be allowed by their employers to offer this care, for fear of injuries.

Human costs: Risks to families and children

- 2.24 Parents with seriously disabled children suffer very high levels of strain⁴⁴ and the stress caused by unsuitable housing is clearly adding to the risk for children.⁴⁵ Parents who never get a night's sleep, families who haven't room to move about freely in their home, everyday tasks that take hours instead of minutes, children with behavioural problems cooped up indoors for lack of safe external space are all consequences that follow when adaptations are not available.⁴⁶
- 2.25 Debt amongst families with a disabled child is another cause of stress. Research in the UK has established that families with disabled children are four times more likely to owe over £10,000 (excluding the mortgage) than other families.⁴⁷ In some cases, part of this debt will be their family's contribution to the Disabled Facilities Grant or self-funded adaptations.
- 2.26 For older people who are without adaptations, the consequences are not so different. The health of the disabled person and the carer, where relevant, are put at risk. Relationships are put under strain. Accidents and admission to care are more likely and social isolation and depression are consequences of not being able to bathe, to get out of the home or to feel useful.

Conclusion

- 2.27 Adaptations are important because they restore the home and the ability to live as other people do, to individuals and families. The cost to the public purse that results from not adapting housing cannot at present be fully quantified, but the evidence that does exist suggests it is likely to be high, in costs of medical treatment, hospital and residential care, and lost contributions from earnings. The lost opportunities for people of all ages and increased risk of harm must be added to the financial costs.

⁴⁴ See, for example NPC (2005), pp10–11

⁴⁵ A very large epidemiological study conducted in the United States (Sullivan and Knutson, 2000:1257) has shown that children with disabilities are 3.4 times more likely to be maltreated than their non-disabled peers. The researchers are not aware of any studies linking non-adapted housing to the maltreatment of children but are suggesting that it must be helpful to reduce sources of stress. The work of Forbat (2002) is also relevant.

⁴⁶ For one example see Heywood (2001), p14. These situations were also described by the child health professionals, and by service users interviewed for this research.

⁴⁷ Harrison and Woolley (2004) and Kempson et al (2004).

CHAPTER 3

The current system

Situating the DFG

- 3.1 During 2003–4, only 19.3%⁴⁸ of completed adaptations were wholly funded by the Disabled Facilities Grant, though its share of the *expenditure* is higher because it funds higher-cost items. It is important to understand this broad picture in order to understand the specific and proper function of the DFG.

Other non-private funding sources

- 3.2 Other sources of adaptation funding that come at least partly from the public purse are as follows:

- Social services have large budgets for equipment and adaptations costing less than £1,000, and most have some budget for major adaptations.
- Some Primary Care Trusts (PCTs) contribute funding to Integrated Community Equipment Services (ICES) and thereby fund some minor adaptations.
- Within authorities who own their own housing stock, all expenditure on adaptations for council tenants comes, as explained, from the Housing Revenue Account (HRA) or from capital. This HRA expenditure may be equal to or greater than the DFG budget.⁴⁹
- There is an unknown annual expenditure by housing associations.⁵⁰ Some Large Scale Voluntary Transfer (LSVT) associations are using the DFG system but others made provision for adaptations at the time of transfer and are spending considerable extra money.
- In certain circumstances and certain regions, housing associations may get extra support from the Housing Corporation for major adaptations. In 2003–2004 the Housing Corporation budget for this was £5.7 million.

- 3.3 The concentration of older and disabled people on low incomes in social rented housing means that need in council and housing association housing is

⁴⁸ See national survey Annex F chapter 5. This percentage figure is based on a sample of 37 local authorities and a total of 20,398 adaptations.

⁴⁹ In the pilot study area for this research, funding from the Housing Revenue Account exceeded the Disabled Facilities Grant budget.

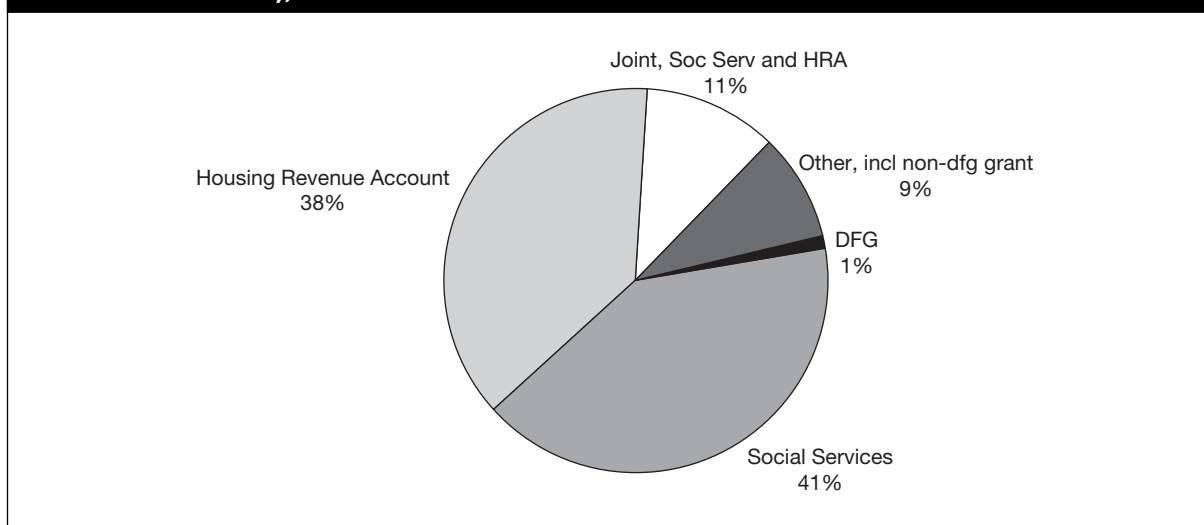
⁵⁰ Because housing associations have no reason to tell local authorities about their internal policies and budgets, no respondents in our national survey were able to give information on how much the housing associations in their area are spending from their own resources on adaptations for their own tenants.

disproportionate to the size of the sectors. The English Longitudinal Study on Ageing gives data that shows the stark differences in the incidence of disability between the social classes, especially in the younger 'old' age groups.⁵¹

The distribution of high- and low-cost adaptations

- 3.4 Over two-thirds (68.5%) of all adaptations provided in 2003–4 cost under £1,000, and 95% of adaptations cost under £7,500. Less than 1 % cost over £25,000.⁵² This distribution is important in understanding the funding of adaptations.
- 3.5 **Charts 3.1–3.4** illustrate how funding sources change according to the value of the adaptations. For work under £1,000, DFGs are of almost no significance: social services pay for most work in the private sector and public sector landlords pay for their own tenants. For work between £1,000 and £5,000, the Housing Revenue Account (HRA) and DFG are funding in roughly equal proportions. Over £5,000, the relative input of HRA steadily reduces, showing how council tenants are less likely to receive higher cost adaptations.⁵³

Figure 3.1 Funding sources for adaptations costing less than £1,000 (excluding housing association funds⁵⁴), 2003–4



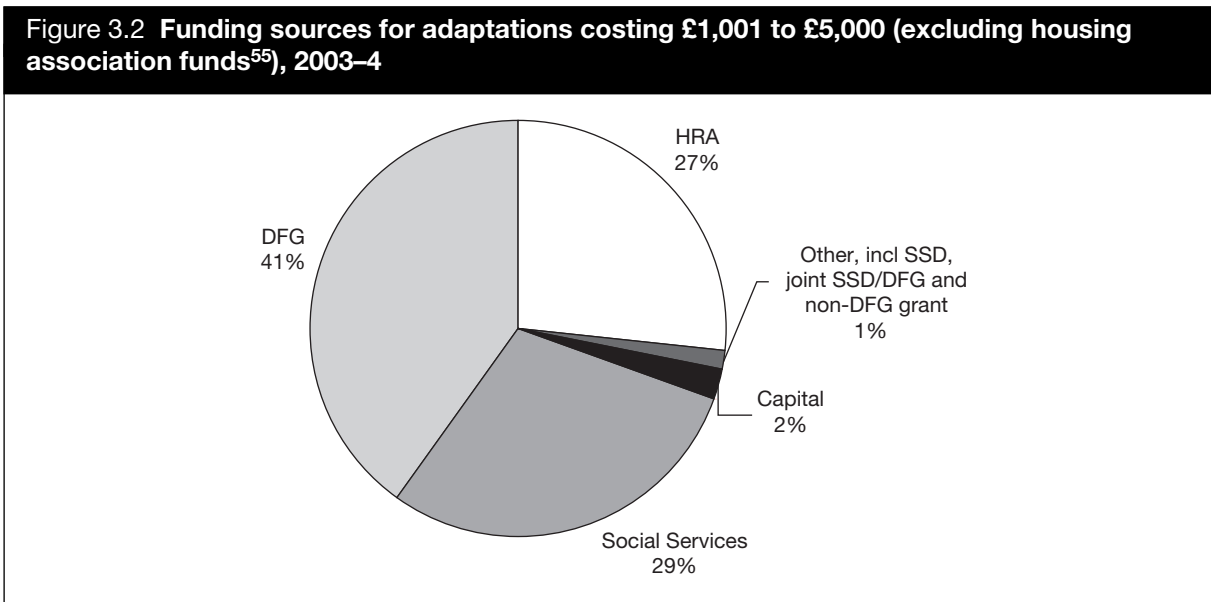
(Source: National Survey; See Annex F, Chap 5, Table 3)

⁵¹ Marmot et al (2003), annex to chapter 7, Table 7A.6.

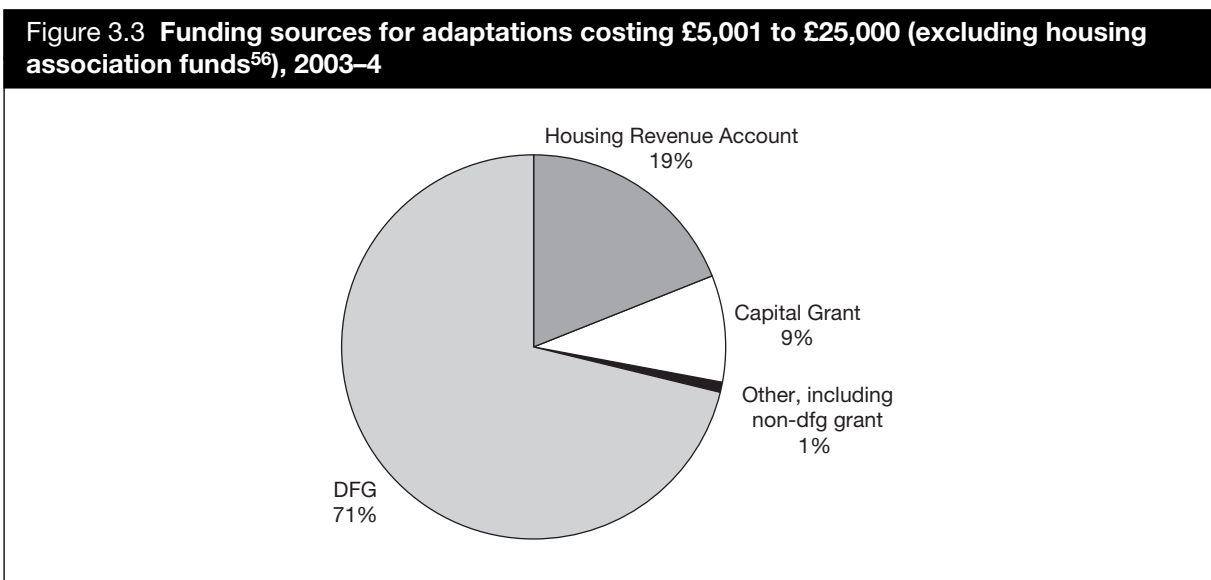
⁵² Further details of the distribution are shown in Annex F, Chapter 5, figure 1.

⁵³ Local authority landlords will often have their own ceiling on adaptation costs and a policy of suggesting a transfer instead. During the research we received several examples of families who had been waiting two years or more for such a transfer. The evidence on available stock for rehousing given in table 3.2 confirms why this is so common.

⁵⁴ See footnote 47 for why this information was not available. Although policies vary between regions, the Housing Corporation would not commonly offer any funding for works under £1,000.



(Source: National Survey; See Annex F, Chap 5, Table 3)



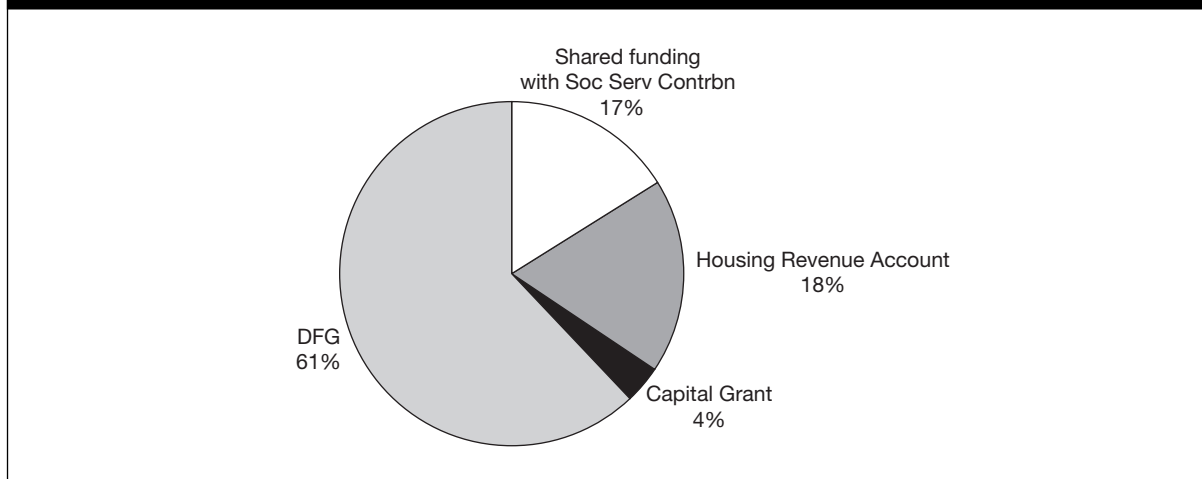
(Source: National Survey; See Annex F, Chap 5, Table 3)

3.6 For adaptations that cost more than the mandatory DFG limit of £25,000, chart 3.4 shows the situation in 2003–4 and includes some discretionary DFG funding, which would not now be possible. 18% of these high cost works are coming from Housing Revenue Accounts. Social services at this level become significant once again, contributing part of the cost in 16.5% of cases, including both public and private sectors. Since the removal of DFG as a source of funding for work over £25,000, the resources to fund the difference will now have to come from the authority’s single pot general fund or from a higher contribution from social services. We know, however, that some social services departments (25% in this survey) make no provision at all for funding such work.

⁵⁵ See footnote 50 for why this information was not available. For adaptations over £1000, the Housing Corporation budget (additional to associations’ own funds) of £5.7 million in 2003–4 was equivalent to 2.8% of the total spend on DFGs for that year (£201.9 million).

⁵⁶ See footnotes 47 and 52.

Figure 3.4 Funding sources for adaptations costing over £25,000 (excluding housing association funds⁵⁷), 2003–4



(Source: National Survey; See Annex F, Chap 5, Table 3)

- 3.7 In the drive for equity between tenures, this factor of the significant extra resources for work over £1,000 that come from outside the Disabled Facilities Grant, has to be remembered. If the system were simplified so that applicants in all tenures simply applied for DFG from the ring-fenced pot, a sum of money that possibly exceeds the current ODPM allocation would be lost to adaptations. This is the money from Housing Revenue Accounts, housing associations, the Housing Corporation and some social services departments. Already the LSVT programme is demonstrating the problem. Any change proposed needs to be planned to prevent attrition of these extra resources, either by transferring money from source into the DFG pot, where this is possible, or by requiring the strategic involvement of all players and negotiating the commitment of funds.

What individual adaptations cost

- 3.8 Table 3.1 shows the cost of some types of adaptation. A combination commonly needed by older people (stairlift and level access shower) costs about £6,000 if the stairlift is straight (a curved one might add another £4,000). The average cost of an extension is

Item	Range of estimated costs	Average cost Mean
Straight stairlift	£1,500 – £ 3,000	£1,965
Downstairs WC	£947 – £12,500	£4,068
Level access shower	£2,401 – £7,000	£4,143
Through-floor lift	£4,500 – £12,000	£8,965
Single-storey, double bedroom extension with tracking hoists, en-suite shower and toilet	£20,000 – £50,000	£31,855

⁵⁷ See footnotes 47 and 52.

⁵⁸ Source: National survey.

well above the maximum DFG grant: up to double that limit in high building cost areas. Where such an extension is needed, it is likely there will be additional works of ramping, door widening and kitchen alterations, so the full cost of the work will be even more.

- 3.9 For most of these items there is no significant difference in costs across areas. The exception is the single storey extension: costs in high property value areas were significantly higher than elsewhere. Building costs are seen to be rising fast. 71% of authorities recorded increases in building costs of more than 9% in the last three years.
- 3.10 High cost adaptations are not common, and research has shown that attempts to 'economise' by providing less than what is needed, lead to waste, frustration and more expenditure by the NHS, DWP and social services.⁵⁹
- 3.11 Some properties are so unsuitable for adaptation that even high expenditure will not provide a good solution. In these circumstances the Relocation Assistance that some authorities have set up under the Regulatory Reform Order (2002) is excellent. But these are not cheap solutions because, especially for families, so few suitable properties exist. Whatever property is found is likely itself to need DFG expenditure, in addition to the relocation grant.

DFGs in the context of the national housing stock

- 3.12 When adaptation costs are high, it is common to think that a move would be a better use of resources. Table 3.2 shows why this is so often not a viable option. For all ages and tenures, suitable re-housing is scarce or very scarce. A wait of over 3 years is predicted in three-quarters of all authorities.⁶⁰

The DFG process

- 3.13 The DFG process begins with assessment. After a wait averaging 97 working days⁶¹ (five calendar months) from the date of initial enquiry, the disabled person is visited by a community occupational therapist⁶² who assesses entitlement in accordance with the legislation and makes recommendations to the housing authority for ramp, lift, or whatever is needed. Housing authority officers then consider the technical feasibility of what is suggested. At an early stage, however, the professionals will usually carry out a preliminary test of resources. Some people withdraw from the system at this stage, as a result. Those who proceed will need to have plans drawn up and get estimates from two builders for the cost of the work. They will be issued with an application form for DFG, with the long and elaborate Test of Resources. They will have to produce proof of

⁵⁹ ODPM (2004): 7; Watson and Crowther (2005); Heywood (2001). See also chapter 2 of this report on the costs of residential and hospital care.

⁶⁰ This survey evidence ties in with the evidence from families of the waits they have experienced after being told that an adaptation was too expensive and they must wait for re-housing. See also the examples in chapter 2.

⁶¹ Evidence from national survey, see Annex F, chapter 8.

⁶² Community occupational therapists are now widely employed by PCTs rather than directly by the social services authority, but they are working for social services.

Table 3.2 Supply of stock suitable for households on average incomes with a disabled family member to move to as an alternative to adaptation

	Good (c.3 months wait)	Reasonable (6–12 months wait)	Scarce (1–3 years wait)	Very scarce (over 3 years wait)	% LAs where supply is scarce or very scarce
2 bedroomed bungalow or flat: social rented sector	0%	22%	62%	16%	78%
2 bedroomed bungalow or flat: owner occupied sector	0%	26%	55%	19%	74%
Property suitable for family of five with one seriously disabled member: social rented sector	0%	3%	27%	70%	97%
Property suitable for family of five with one seriously disabled member: owner-occupied sector	0%	0%	28%	72%	100%

Notes: The table summarises the situation in 32 local authorities in 2005

ownership, or landlord consent if they are a tenant, and proof of earnings and income. If they have a contribution to make, or if the cost of works is more than the maximum grant, they will also have to demonstrate that this is available, or find a way of raising the money. It may be necessary to apply for planning consent. Approving an application is not a lengthy process but if the capital allocation is already used up, housing authorities may have to wait until the next financial year to give approval. Once the grant is approved, the disabled person will have to wait until the builder is free to start the work, and will need someone to inspect it as it proceeds.

The importance of Agencies in delivering DFGs

- 3.14 The process described here would be daunting for anyone, and is even more so for people hampered by unsuitable housing and the pain, stress and difficulties it causes. The role of Home Improvement Agencies (HIAs) and Disabled Persons Housing Services (DPHSs) in assisting with the DFG process is therefore of great value. They are a liaison point between service users, occupational therapists, grants officers and contractors, and often see the process through from first enquiry to completion. They are generally held in high respect for giving a client-centred service and excellent value for money.
- 3.15 In 2003–2004, HIAs were involved in the delivery of approximately £55 million worth of Disabled Facilities Grant-funded adaptations.⁶³ Since the removal of private-sector only restrictions to their activity, this has increasingly included adaptations in the public sector.

⁶³ Views of the Disabled Facilities Grant Process within the Home Improvement Agency Sector (2004), Foundations (Submission to Disabled Facilities Grant Review Group).

- 3.16 The capacity and funding of HIAs and DPHSs are of central importance to the DFG service. However, both are threatened, due to the insecure nature of their core funding, and the squeeze on fee income caused by the inter-action of grant limits and VAT requirements.⁶⁴

Strengths and benefits of the current system

- 3.17 Consultation for this review showed considerable consensus amongst service users and professionals as to which aspects of the current DFG system, as it is set out nationally, are good. It is valued for being a mandatory right reflecting a social model of disability, and for stipulating person-centred assessments (strongly reinforced by the ODPM guidance). The ring-fenced budget from central government gives status to adaptations at a local level that compensates for the relative marginalisation of disability issues in policy making generally. Because it is based within housing authorities, they can include attention to the housing standard of the home that needs adapting, and incorporate adaptations policy into their local housing strategies. It involves close working between occupational therapists and housing officers that results in scrutiny and objectivity. The structured system introduced in 1990 is seen as tried and tested. A level of trust and problem-solving attitude between professions, agencies and builders, and expertise about how to do adaptations, has grown up in the intervening years. The use of Home Improvement Agencies, both 'in house' and independent, is an advantage for many service users.

Strengths and benefits of local structures and arrangements

- 3.18 Within the current legislative provisions, structures and systems well suited to local circumstances have been developed in many areas, to give better services to disabled people and make the best possible use of resources. There is plenty of innovation and professionals are interested in learning from each other and from other areas. Examples of good delivery systems or innovative practice include:
- Well thought-out, formal arrangements between housing and social services for funding solutions to more difficult and expensive cases, including serious budgetary provision by social services that recognises the limitations of DFG funding. Kent is an example of this good provision in a two-tier system, and Bristol as a unitary authority.
 - The use of relocation grants combined with the disabled facilities grant as an alternative to adapting an unsuitable property. Authorities who have made this provision through their RRO (2002) powers include Bristol and Herefordshire.
 - Better arrangements for low-cost major adaptations, avoiding waste. For example, Sunderland has introduced a 'Minor alterations grant' with no means test for works under £4,000 and approved prices instead of competitive tendering.

⁶⁴ This is related to the £25,000 grant limit, which means that Home Improvement Agencies sometimes waive their fees, or decrease them so that adaptations can be completed at a price below the limit. Anomalies also exist regarding Value Added Tax on fees.

- Setting up one-stop shops to bring adaptation services together, often including close working with Integrated Community Equipment Services (ICES). Salford, Manchester and Nottingham are examples of such approaches.
- Use of modular buildings, especially valuable when re-use is achieved. Bradford and Solihull are working on different approaches.
- Disability Housing Registers.⁶⁵ These offer a matching service, and are thereby more useful than just a register of adapted properties. There are good examples in Doncaster, Reading and elsewhere.
- The use of Houseproud and the Home Improvement Trust to supply loans or equity release (with a guarantee of no repossession) as an alternative or supplement to DFG. This is a valuable addition to resources in the right circumstances. Birmingham and Kingston upon Thames are authorities who are making use of Houseproud.

3.19 All these examples illustrate the positive thinking that has gone into improving the adaptation service in many places over many years. They are perhaps the icing on the cake of good co-operation between occupational therapists and housing officers, and sustained hard work in setting up and maintaining local structures including Home Improvement Agencies or Disabled Persons Housing Services.

Problems of the current system

3.20 The current DFG system does much good but also leaves many serious needs unmet. As the evidence in the previous chapter shows, the costs of this are borne not just by those directly affected but are also shared by other spheres of policy and public expenditure. We can identify several major problems with the current system.

THE EFFECT OF THE MEANS TEST

3.21 The test of resources is hard on those who have large outgoings, including debts incurred before the need for adaptations arose. It also creates a serious disincentive to work. An example of the dramatic way in which under the current test of resources a household's attempt to increase household income can translate into a disproportionate assessed contribution is provided in Table 3.3: for a 44% increase in income the family is assessed for a 1,037% increase in contribution. Box 3.1 provides a further illustration of the problem: indeed, it demonstrates the rather perverse consequences that can follow households' attempting to improve their financial situation and the interactions between systems of support. Because of this acknowledged problem, Recommendation 4.9 of Improving the Life Chances of Disabled People is that the ODPM should consider in respect of DFG 'changes to existing eligibility criteria' to 'mitigate disincentives to paid employment'.⁶⁶

3.22 Tax credits have made the problem of the DFG Test of Resources worse, because the extra income is taken into account in the calculation, with effects similar to the effects

⁶⁵ For fuller information see Annex J and Shaw (2005).

⁶⁶ PMSU (2005), p86.

Table 3.3 The impact on assessed contributions of an applicant with a seriously disabled child taking on regular overtime to increase family income				
	Total weekly income (£s)	Total applicable amount (£s)	Excess income as calculated for Test of Resources (£s)	Assessed contribution (£s)
March 2003	407.95	305.90	102.04	3,853.61
March 2004	486.76	331.42	155.34	12,368.00
September 2004	587.35	331.42	255.93	43,807.82

Box 3.1 The impact of changing income on assessed contribution

A mother who has become ill and is in a wheelchair, described the joy and anticipation she and her family felt when they had finally raised their assessed contribution of £1,000 and could proceed with the DFG assisted work. Because they had applied for tax credits, however, and because the husband had taken on overtime to help pay the mortgage, they found on returning to the local authority that their contribution had risen to £5,000 and was once more out of reach. The effects of this disappointment have been to cause depression and stress which is having a tangible harmful effect on the couple and their child.⁶⁷

In another case a family who applied for what was then Child Tax credit found their estimated contribution to DFG of £2,000 went up to £13,500. They had already been waiting three years for a DFG but have now given up hope.⁶⁸

of increased earned income (see example 2 in Box 3.1). Some Government means tests – housing benefit, council tax benefit – count tax credits as income, but others – such as Fairer Charging for Care Services – do not. There is a clear anomaly. As there is a large disability benefit inherent in some of the tax credits this anomaly is particularly stark for DFG.

INSUFFICIENT OVERALL FUNDING

3.23 In 2003–4, 47% of all authorities had insufficient capital to meet valid DFG applications. The median shortfall for those Local Authorities where there was a shortfall was 44% of their annual budget. In one authority, over 100 approved adaptations, mainly level access showers could not proceed for lack of capital funding.

THE UPPER LIMIT AND INADEQUATE ARRANGEMENTS FOR HIGH-COST ADAPTATIONS

3.24 As described at 3.8, the maximum grant of £25,000 is insufficient to cover the average cost of an extension even though this is the only possible solution for some cases of major disability. The lack of clarity about what happens in this situation, or when for other reasons needs cannot be met through the Disabled Facilities Grant, is a serious structural weakness. Only about half of all social services authorities have clear arrangements and budgets for helping with these costs. This means that the most

⁶⁷ East Sussex Disability Association, interview.

⁶⁸ East Sussex Disability Association, interview.

Box 3.2 The consequence of a lack of realism about the cost of substantial adaptations

A child with Duchenne Muscular Dystrophy needed adaptations costing at £55,000. Following the test of resources, the family were assessed as having to make a small contribution as they are on a low income. With Social Services agreeing to contribute £5,000 and a contribution from the Family Fund the total funding available still came to only £35,000, leaving a shortfall of £20,000, which the family cannot afford. The solution was to redraw the plans and supply something too small to meet the needs of the child or family.⁶⁹

seriously disabled people are the most likely to suffer delays in obtaining the adaptation they need while attempts are made to find means of funding the extra work. The case in Box 3.2 illustrates the further problem of formal arrangements that are not realistic about the potential costs of adaptations for the small number of most serious cases.

- 3.25 It is clear that a theoretical legal obligation on social services to supply what is not possible with DFG is no substitute for formal agreements and adequate budgets. It is neither reasonable, just, nor a good use of the public purse to expect disabled people to have to go to the Ombudsman or to court get the help to which they are entitled. It would be more reasonable to ensure that proper strategies are in place in every authority.
- 3.26 There is also a problem for small housing authorities and small housing associations in planning for the occasional possibility (perhaps once in five years) of a very high cost adaptation, which may require a large proportion of their whole adaptation budget. The unpredictability of this risk means that there needs to be a system that offers support in exceptional cases, or shares the risk more widely.

LIMITATIONS OF PRESENT MANDATORY PROVISION

- 3.27 The provisions of the mandatory DFG, though very broad in their scope, are focussed on adults and on removing the barriers caused by physical impairment. There is a consensus that they need to expand to include more specifically the needs of children, and adaptation that is necessary because of mental ill health or behavioural problems. Some of the suggestions made might already be covered through a generous interpretation of the legislation and reference to the joint guidance, but it is felt that more specific stipulation would be helpful.
- 3.28 Disabled children need, as far as possible, to have the same opportunities in their home to play, learn, develop social skills and grow as non-disabled children have. For many seriously disabled children there is also a need to house medically related equipment and supplies. Provision for all these needs begins with extra space and, where the condition and equipment allow, spontaneous access around the home and garden. Some severely disabled children need space to lie on the floor and move freely without injuring themselves, or space for exercises that are essential to their development. Children with electric wheelchairs ought to be able to use them within their own home. It should be possible for a child in a wheelchair to have social contact in their home with at least one other similar child. Often the needs of a disabled child's siblings are overlooked during the assessment process and the impact on these

⁶⁹ Muscular Dystrophy Campaign submission to Disabled Facilities Grant Review Group October 2004.

children has been shown to harm their physical and psychological well-being.⁷⁰ If there are any problems of behaviour or frequently interrupted sleep, a separate bedroom for the disabled child is viewed as essential by the service users. Points raised by parents on these matters were strongly reinforced by the paediatric health professionals.

- 3.29 There is an urgent need to recognise the problems of children and others with Attention Deficit Hyperactivity Disorder (ADHD), Autistic Spectrum Disorders (ASD) and other conditions leading to challenging behaviour. Around 1% of school-aged children have severe combined ADHD, equivalent to approximately 73,000 children aged 6–16 in England and Wales. Significant numbers remain undiagnosed.⁷¹ 10–30 children in every 10,000 are now thought to have narrowly defined autistic spectrum disorder (ASD).⁷² At present, the only relevant item in the legislation on the Disabled Facilities Grant is the provision for ‘safety’ but this is not adequate to cover all that is needed. Extra space may be particularly helpful; outdoor space is important⁷³; sound insulation may help the family’s relations with neighbours. There also needs to be guidance that it is appropriate in such cases to make provision for other members of the family, if this is necessary to preserve some normal family life for them. A general power to make adaptations that will benefit someone with challenging behaviour and to take into account the well-being of other family members is what is needed.
- 3.30 Within the changing patterns of family life, it is quite possible that the parents of a disabled child may be separated, or that respite care is given by a foster parent or another family member, and that access to more than one home may be needed. At present, these needs are not easily met.
- 3.31 Because DFGs may be funded from the ring-fenced pot while relocation grants may not, there is a financial pressure on local housing officers to offer adaptation rather than relocation when relocation would otherwise be a better solution.

DELAY

- 3.32 Delay is a major problem in the DFG system. Evidence on the consequences and costs of such delay is given in chapter two. Lack of capital is one cause of delay but another is shortage of occupational therapy staff to carry out assessments. In 2003–4, in 28 social services authorities the average waiting time for an assessment was 97 working days (range 5–360; median 61).⁷⁴
- 3.33 Intractable funding problems, caused by the upper grant limit or the test of resources, and shortage of builders willing to do the work for the money available are further

In Watson and Crowther (2005) the only adaptation that had not improved quality of life was a too-small extension for a child.

⁷⁰ Atkinson and Crawforth (1995).

⁷¹ From www.countrydoctor.co.uk/education/, citing [1] Attention deficit hyperactivity disorder in children, *Clinical Evidence* (2001), pp205–13, August 2000.

⁷² National Initiative for Autism Screening and Assessment (2003), p16.

⁷³ If someone with challenging behaviour is outside in a garden, they will feel better and their behaviour will improve and their challenging behaviour will reduce. (Mencap interview, parent of child with challenging behaviour).

⁷⁴ These figures may be compared with the Office of the Deputy Prime Minister good practice target of 40 working days for assessment of the lowest priority adaptations, 15 for medium range and 3 for top priority. Annex F gives the breakdown of these waiting times according to the different priority categories used by the various authorities.

causes of delay. All these factors harm those waiting, especially children, whose development is likely to be impaired. Crucially, too, people with degenerative conditions, such as Motor Neurone Disease need a swift resolution to their applications for adaptations, as half of those diagnosed with the disease die within fourteen months of diagnosis, often without the works to their home that would allow them some dignity and comfort.

TENURE DISPARITIES AND DISADVANTAGES

- 3.34 The chances of securing an adaptation vary with tenure. Assured shorthold tenants of private landlords are seriously disadvantaged because landlords are free to end the tenancy if they do not want the property adapted. Tenants of social landlords who don't use the DFG system may get a swifter service than DFG applicants, but may be put under pressure to move if the adaptations are costly. Some housing association tenants suffer serious delay because of the lack of clarity on funding. This is discussed below under structural problems. The fact that there is no explicit allowance in the Housing Revenue Account subsidy system to provide for adaptations creates an inherently non-level playing field for council tenants and needs to be addressed.

FAILURE OF INFORMATION TO SERVICE USERS

- 3.35 Lack of information about entitlement to adaptations and the mandatory provisions of the DFG is widespread, even amongst those in the caring professions. Disabled parents, for example, may not be told that there is specific mandatory DFG provision to enable a disabled person to care for others in the household. Local authorities, despite obligations under several Acts of Parliament to publicise the service, do not do so because of fear of uncovering need they cannot meet. This means that there are people in great need who are not receiving help. These are likely to include members of black and minority ethnic communities where information is not supplied in accessible formats and ways.

THE INAPPROPRIATE USE OF PRIORITY SYSTEMS

- 3.36 Occupational Therapy staff in social services are working increasingly in the context of the Single Assessment Process, where they are required to refuse the provision of care services to those they assess as falling below the intervention level chosen by their employers. In 2003–4, 43% of authorities were using Fair Access to Care Services (FACS) criteria in some way in relation to Disabled Facilities Grant. Of these, one authority had set its FACS level at 'Critical need' only. Others were mainly divided between 'Substantial need' (48%) and 'Moderate need' (42%) as their lowest intervention standard.⁷⁵ This should have nothing to do with the provision of mandatory disabled facilities when the occupational therapist judges that a person is entitled to them, nor should it be used to prevent assessment for Disabled Facilities Grant.⁷⁶ But because managers in social services are often not well-informed about Disabled Facilities Grant legislation, two separate issues may be conflated. Older people

⁷⁵ Only two authorities (6.5%) included 'Low' need as an intervention standard. (How these criteria were then used is quite a complex issue: see Annex F, section 8.3 for further details.)

⁷⁶ See ODPM (2004): 24, section 4.7.

seeking funding for much-needed bathing adaptations are particularly vulnerable to being seen as having insufficient need when these rules are inappropriately applied.

- 3.37 The core problem here is that Fair Access to Care Services criteria may be used inappropriately to prevent older people's access to bathing adaptations.⁷⁷ This is a structural problem that needs to be addressed.

OTHER PROBLEMS

- 3.38 The following problems have also been identified as affecting the effectiveness of the current system:

- For some service users (especially working age adults, including parents), lack of support through the Disabled Facilities Grant process is a major problem.
- Some professionals were concerned at waste caused when families moved not long after adaptation and then needed to apply again.
- The cost of servicing of lifts and hoists is a major cause of anxiety to some service users.

Causes of the problems with the current system

- 3.39 Analysis of the problems experienced with the current arrangements suggests they are primarily strategic and financial. Some factors relate to legal provision and regulation and not all delivery systems are as good as they could be, but lack of vision, lack of strategic thinking and resources that are not commensurate with the concept of investment are the factors that most urgently need to be addressed.

STRATEGIC PROBLEMS

No national strategic planning

- 3.40 At the highest levels, there has not been a strategy across the relevant Government Departments for the commissioning and resourcing of housing adaptations to ensure effective use of public funds, or for linking adaptation strategy to policies on new-build and refurbishment, education, work and prevention in health and social care.

No regional strategic planning

- 3.41 This is especially important in regard to the actions of Regional Housing Boards, their allocation of funds and the making of connections between new build and adaptation. The actions of the London Board appear to be an exception and have taken the Housing Corporation guidance on board.

⁷⁷ One local authority giving evidence said that by reviewing the eligibility criteria, their authority secured a 40% reduction in referrals to the occupational therapists from the primary assessment team. Although no details were given, it is very likely that many of these will have referred to bathing, as bathing makes up the majority of requests.

No local strategic planning

- 3.42 Following from the lack of national strategy, there are no structures to facilitate local strategic planning of adaptations at regional, county, district or unitary authority level, nor within housing associations or Primary Care Trusts. Information is not collected on levels of need, positive outcomes or the costs that result when adaptations are delayed or not given. There is no duty on anyone to carry out cost benefit analyses.⁷⁸ A spokesperson for Association of Directors of Social Services Disability Committee has commented:

“Health should be contributing, and not just money. They should contribute planning, thinking and understanding. The contribution that housing makes to health has not clicked with them”⁷⁹

Lack of incentives for senior management

- 3.43 Policy in local government, the housing association sector and the National Health Service is driven by the performance targets by which senior management is judged and rewarded. These in turn are devised to reflect central government’s strategic objectives. The introduction of a 7-day target for the delivery of equipment and minor adaptations (Performance Indicator D.54), for example, has significantly affected the interest taken by Directors of Social Services in matters they were formerly inclined to leave to occupational therapy managers. This is a Key Threshold (KT), one of the ten Performance Indicators that affect star ratings. Achieving good performance in relation to this indicator is essential for a 3-star rating and is closely monitored.⁸⁰ By contrast, at present, good performance in delivering major housing adaptations is not rewarded, poor performance is not penalised and there are no incentives for good strategic thinking.

No strategy on adaptations in or for the housing association sector

- 3.44 In the housing association sector, the stress and emphasis is on two targets: the volume of new build and the decent homes standard. Not only are there no rewards for good adaptation policies but, outside the London plan, there is currently nothing to encourage housing associations to build homes for disabled families or even to build houses that are adaptable beyond the minimal standards required by Part M. On the contrary, the consultation exercise indicated that the very newest homes are the ones most impossible to adapt. This trend needs urgent, strategic re-thinking.
- 3.45 The large-scale voluntary transfer of houses from local authorities to the housing association sector, where they are eligible for DFGs, has taken place without sufficient thought at Government level regarding how the adaptation costs are to be borne.⁸¹ Although the Housing Corporation now requires some planning in advance by such

⁷⁸ The National Survey has shown us that although half the authorities surveyed gave an indication of levels of demand they were unable to meet, most were unable to give full answers to questions about levels of unmet need or to questions about what happened to families after they withdrew from the Disabled Facilities Grant process because of the size of their means-tested contribution.

⁷⁹ Interview with representative of the Association of Directors of Social Services (ADSS) Disability Committee.

⁸⁰ A present co-chair of the Association of Directors of Social Services Disability committee commented: “I think the point is that AT and, indeed, Disabled Facilities Grant has only recently emerged as a key issue ... AT was low profile, and going back a few years, that applied to Disability issues generally”. He goes on to say that doubtless Integrated Community Equipment Services (ICES) has played a part in the raising of the profile.

⁸¹ See introduction.

new associations⁸², the weakness in its advice is that local authorities have no mechanism for increasing their ring-fenced subsidy allocation because a transfer has taken place, so it is difficult to see what they can do to ‘anticipate a switch’.

The diverse nature of the housing association sector and its regulators

- 3.46 The nature of the housing association sector constitutes a strategic problem at both national and local levels for the DFG system. It is so diffuse that it is impossible to incorporate it into strategic thinking while treating it as a whole.⁸³ The regulation of the sector is similarly diverse and this again impacts on the possibility of strategic planning. The Housing Corporation’s position is not clear. In 1994–5 it allocated £13.5 million pounds to adaptations. In 2003–04, after a policy since 1996 of persuading associations to use more of their own resources where they had them, its budget was down to £5.7 million, despite the huge growth in the sector in the intervening years. The 2003 budget was however, an increase of over £1 million from 2002–03, so the trend is not simple. The role of the Regional Housing Boards, who since 2004 have had discretion about allocations for adaptations is clearly important here, with considerable variations.⁸⁴ Any solution to the funding of adaptations for housing association tenants must grasp the nettle of this complexity and division.

PROBLEMS ROOTED IN NATIONAL LEGISLATION, REGULATION AND FUNDING

- 3.47 Many of the problems described throughout this chapter, such as those relating to the means test, the maximum grant, the provisions of the DFG and the funding of Home Improvement Agencies are rooted in national legislation and arrangements and need to be tackled at a national level, with ODPM as the lead department.

PROBLEMS BASED IN SERVICE-DELIVERY ARRANGEMENTS

- 3.48 Some of the problems listed, like the use of Fair Access to Care Services criteria or the lack of support felt by service users or delay caused when there are inadequate systems for dealing with difficult cases are based in local service delivery arrangements and may be tackled at a local level.

⁸² A query to the Housing Corporation in 2004 produced this response: “In most if not all regions there is little if any allocation for Aids & Adaptations. Therefore at registration with us we expect there would be Registered Social Landlord to have a business plan which shows how any projected adaptations will be funded from their own resources if necessary and that the assumed level of demand is credible. If they have access to local authority funding, as in many cases the local authority housing dept would have, then they should seek to negotiate/agree something with the local authority about future levels of adaptations likely on the basis of their recent experience within the local authority and see if some in-principle grant might be available, as the local authority should anticipate a switch from Housing Revenue Account to Disabled Facilities Grant budget as public sector stock shrinks and the areas private rented stock grows upon transfer”.

⁸³ See Annex G for more details.

⁸⁴ “Without explanation, Housing Corporation funding stopped last year”. This quotation from an interview with a housing association officer (March 2005), whilst technically incorrect as far as the Housing Corporation nationally is concerned, reflects the widespread experience of Housing Association officers on the ground. This echoes research carried out for The College of Occupational Therapists with the support of the Housing Corporation (College of Occupational Therapists, forthcoming 2005). Bewilderment was common amongst housing association officers interviewed and they regarded the likelihood of funding from the Corporation, even for major adaptations, as very uncertain.

PROBLEMS OF DISCOURSE

- 3.49 The language of 'assessing for needs' is part of a welfare discourse, implying an unequal relationship between assessor and assessed.⁸⁵ One of the major changes this report seeks to achieve is that of shifting attitudes at all levels away from seeing adaptations as 'welfare' to seeing them as investments.
- 3.50 The researchers believe that an active programme of involving professionals in dialogue with service users will be part of what is necessary to achieve an investment approach. Giving greater control directly to disabled people would be one way to shift the discourse.

Conclusion

- 3.51 Understanding the operation of the DFG is enhanced by an appreciation of the way in which it interacts with other sources of funding drawn from both the housing and care sectors. We have highlighted the significance of sources of funding such as the housing revenue account, and note that the on-going programme of stock transfer carries with it significant implications for the way in which adaptations spending will be resourced in future. The precise role that DFG will play requires careful consideration at a strategic level.
- 3.52 The evidence suggests that most of the problems that make the DFG system operate sub-optimally are not structural at the local level. They are either to do with lack of strategic thinking at higher levels (national, regional and sub-regional) or, not unconnectedly, are caused by insufficient resources. There are also some restrictions on the powers to use resources intelligently. In addition, attitudes can be a problem when adaptations issues become influenced by a welfare model approach. It is likely that a more strategic approach throughout the system would lead to the solving of many detailed problems.

⁸⁵ East Sussex Disability Association, interview, made this specific point.

CHAPTER 4

Options for change

4.1 In this chapter we set out some of the options for change to the DFG system that have been suggested and discussed in the process of this review. We include cost implications wherever this is appropriate and possible. The review identified possible changes covering many dimensions of the system. Here we consider options under the following headings:

- Strategic changes (local and national)
- Changes to the way in which DFGs are delivered
- Changes to the Test of Resources
- Changes to eligibility
- Changes to the upper limit on grant
- Changes to mandatory provision
- Changes in legislation or regulation
- Changes in financial arrangements
- More fundamental changes or options

4.2 The issues, options and opportunities discussed under these headings arose in various ways during the research. The list we offer is not simply a comprehensive record of all the possibilities raised during the research, rather we offer options for change that gained particular support among interviewees or which we feel are particularly promising. As such we believe they are all worthy of careful consideration.

4.3 To estimate national cost implications of changes to the test of resources or the coverage of DFG, the chapter draws on three sources. First, it deploys data supplied by twelve local authorities in seven regions. This dataset comprised a total of 5,429 enquiries, of which 71% led to a completed adaptation. The extent and coverage of the data each local authority was able to supply differed. The method for estimating the impact on the amount of grant required combines an assessment of the impact of change upon existing recipients with an estimate of the applicants that would go ahead under a revised system who did not proceed under the current system. The method for the latter group rests on assessing the impact of change on the applicants' contributions and then estimating what impact changing – typically reduced – contributions will have on whether the application proceeds. The estimated impact upon these local authorities was then grossed up to give an estimate of the impact nationally. A more detailed discussion of both the available data and the method of assessing change is provided in Annex H. The second source of information is the

National Survey of local authorities conducted for this research, which asked respondents to estimate the additional resources needed to meet currently unmet need. This information was used to inform the way in which we modelled the extent of unmet need. The third data source deployed was the English House Condition Survey. The data from this source informed the method used to estimate impacts nationally and the discussion of a subset of the options being considered.

Estimating the impact of change to the current DFG system

- 4.4 Any attempt to estimate the likely impact upon the DFG budget of changes to the Test of Resources faces significant challenges. These are broadly of three types: data constraints, behavioural responses, and institutional barriers. The data constraints are several. First, any modelling exercise that relies on administrative data is restricted to data that are collected in order to operate the current system. This means that some options that one may wish to explore cannot be analysed. For example, local authority systems do not typically disaggregate benefit income into means-tested and non-means-tested and hence it is not possible to assess how many cases would be affected by passporting all those on means-tested benefits only. A major data constraint relates to the scale of unmet need under the current system, and hence the likely number of additional cases that would be processed under any reformed system. While there are a number of sources of information on the level of unmet need, none is entirely satisfactory.
- 4.5 The second challenge relates to the behavioural responses to any changes to the DFG system on the part of both applicants and local authorities. In particular, there is a question mark over how many additional cases will come forward as a result of the change. This in part depends on the extent to which the changes are publicised. A baseline assumption would be that if the system is changed but this change is not publicised significantly then the impact will primarily be focused upon how many of those who make enquiries under the current system but do not currently proceed would proceed under any reformed system. On the basis of current experience and practice, it is highly plausible that policy change receives limited publicity (see paragraph 3.35). However, if changes are advertised, then it would be more plausible to assume that some households in need but not currently in contact with the system will make enquiries and receive grants. It would seem unlikely that all those in need would enquire, at least in the short term. Indeed, a further complexity is the recognition that some of those deemed to be in need would not under any circumstances consider an adaptation. But it is likely that the flow of enquiries would increase.
- 4.6 On the officer side, quite how a change to the Test of Resources will translate into additional demand depends to some extent on local policy. For example, local authorities frequently use FACS intervention standards to determine who to assist and this can be changed up or down to manage the calls upon budgets and staff, and hence influence the number of cases that proceed. However, these are not factors that can straightforwardly be captured in any modelling exercise.
- 4.7 The third challenge relates to institutional barriers. Even if changes to the Test of Resources brought forward a considerable number of additional enquiries from households in need, it would not immediately translate into corresponding additional

calls on the DFG budget. One reason is that, within the current funding framework, any increase in central government funding needs to be accompanied by an increase in local authority spend: it should not be assumed that all local authorities will be willing or able to increase this contribution, given competing priorities.

- 4.8 A second reason is that there are considerable capacity constraints on the OT service in many areas. Without recruitment of a large number of OTs a larger volume of enquiries will translate into longer waits rather than larger spend in the short to medium term. Finally, some local authorities identify capacity constraints in the building industry. Hence, processing more cases is likely to either lengthen waits, post-approval, or increase the cost of works in the short to medium term. Greater use of modular buildings might be one remedy, though this would be relevant only to certain types of adaptation. Again, these are not factors that can straightforwardly be taken into account in any modelling exercise.
- 4.9 Our discussion is structured around estimates of three magnitudes. First, we estimate, for a sample of local authorities, the impact of changing the test of resources upon the net grant associated with recipients of DFG under the current system. Secondly, we estimate the impact of the change upon households that made enquiries to sample authorities under the existing system but did not proceed. We would take this to be the baseline estimate of the impact on the DFG budget if reform were not accompanied by any broader change in the institutional context: that is, it was not accompanied by any additional publicity, removal of the institutional barriers or relaxation of existing local policies to manage demand. In this sense the figures represent an estimate of the impact of changing the mechanics of the test of resources without addressing any of the other unsatisfactory aspects of the current system. The final figure represents our estimate of the impact of change at national level taking account of need that does not register under the current system. It is based on the assumption that the flow of enquiries increases as a result of change, but that not everyone who might be entitled to an adaptation would apply for one immediately. The rationale for our approach is discussed in Annex H, as is the methodology by which the sample data were grossed up to national level estimates.

Strategic changes

AT NATIONAL LEVEL

- 4.10 **An inter-departmental Strategic Working Group on investment in inclusive housing to be established.**
- *Advantages:* A Strategic Working Group will make it possible to create a coherent joined up policy that works through the implications of suitable housing as an investment and leads to strategic thinking on best use of resources at a national level across all relevant departments.
 - *Disadvantages:* None, unless there is delay in setting the group up.
 - *Cost/Benefit:* Any costs will be recouped by the changes brought about, because the ‘invest to save’ value of adaptations is so great.

- *Viability of this proposal:* This proposal is viable. It could be set up within the framework of the Office for Disability Issues, the group being set up under the leadership of the Minister for Disabled People for implementation of Improving Life Chances for Disabled people. However, the importance of this proposal is such that if there were any delay in implementing the agenda around the Office for Disability Issues then an alternative structure, such as extending and expanding the remit of the current time-limited Review group, should be adopted to ensure it is implemented at the earliest opportunity. A key brief to participating officers will be to think in ‘joined up’ ways rather than departmentally. Action in setting up this group needs to be swift, its brief urgent and its powers appropriate for a policy that has emanated from the Prime Minister’s Strategy Unit.

4.11 **Government to require that Regional Housing Strategies address the housing needs of disabled people in both new build and adaptations of existing stock.** Requirements on future adaptability and incorporation of adaptations into refurbishment should be integrated into the Housing Quality Indicators (HQIs) issued by the Office of the Deputy Prime Minister. (The ‘future adaptability’ factor most important to families is space).

- *Advantages:* There will be more new homes suitable for families with a disabled member, and reduced future adaptation costs. The requirement will create a much-needed link between the design of new-build and the cost of major adaptations.
- *Disadvantages:* This will be at least an apparent conflict between the goals of volume and density and the goals of social inclusion of families with a disabled member.
- *Cost/benefit:* There are no significant costs in establishing this requirement. The costs might be that, as a consequence of implementation, slightly fewer properties are built. This is offset by the benefit that the properties are more clearly ‘fit for purpose’: in the long-term there is a supply of houses with higher space standards and a reduced need for adaptations. This is likely to prove a good long-term investment. A better supply of two bedroom homes for older people will help to release family homes.
- *Viability:* This is viable.

AT LOCAL LEVEL

4.12 **A duty to commission adaptations and related services to be given jointly to Directors of Housing and Social Services, Chief Executive Officers of Primary Care Trusts and Children’s Services Directors.**

- *Advantages:* This would create a structure that is at present wholly lacking for strategic thinking to link the costs and benefits of adaptations across the departments most affected, and on a large enough scale. It would facilitate a strategy for adaptation which fits into other strategies for housing, health and social care and is able to take an investment approach. It could be an opportunity to improve and expand the implementation of Integrated Community Equipment Services (ICES).

- *Disadvantages:* A shared responsibility of this kind is difficult to enforce. It could incur the costs of protracted negotiation as the various organisations try to reconcile competing priorities. This grouping leaves out housing associations and agencies involved in employment.
- *Cost/benefit:* Any costs will be recouped through savings in health and social care expenditure, and better outcomes for public investment.
- *Viability:* The exact proposal described here is probably not viable. The Primary Care Trust (PCT) track record of involvement in ICES suggests that their participation would not be achieved by exhortation or guidance but would require a powerful sanction or incentive. PCTs are currently under great pressure and would be unlikely to offer extra resources. A more viable interim proposal would be the creation of a local strategic planning group for adaptations and related services, with similar membership.

4.13 **Social services authorities to have a Key Performance Indicator (KPI) relating to adaptations.**

- *Advantages:* Delivery of adaptations would move up the local policy and practice agenda of social services management, in the way that equipment services have done following the similar KPI for Integrated Community Equipment Services. While a performance indicator culture exists, this may be the only effective way of engaging Directors.
- *Disadvantages:* There is pressure to reduce the number of KPIs. KPIs may distort practice in a way that is harmful to some service users. It might be hard to devise suitable indicator.
- *Cost/benefit:* This would probably lead to greater outlay on major adaptations by those social services authorities who currently make little or no budgetary commitment. This, however, will produce cost savings elsewhere in health/social services budgets (see chapter 2).
- *Viability:* This could be viable. A lever of some kind will be essential to achieve change, but it will be a matter for the new National Strategic Group to decide which is the most appropriate. Other inspection mechanisms, such as the new Joint Area Reviews (JARs) for children's services, may be considered as alternatives or additions.

Changes to the way in which DFGs are delivered

4.14 **A single service-delivery agency should be established in each housing authority area to take responsibility for all aspects of inclusive housing, from discovering levels of need to arranging training and liaising with hospital discharge.**

(In a county the agency could be designed as part of an umbrella single service delivery agency for the county.) This system could include Home Improvement Agencies and/or

Disabled Persons Housing Services and be closely linked to Integrated Community Equipment Services.

- *Advantages:* Creating a single service delivery agency could potentially streamline and speed up the service, eliminating problems that are currently encountered at hand-over points and making it easier to promote the services on offer. A body of experienced staff would be on hand and co-location can improve communication and save money. Any system that would bring in health money would be welcomed.
- *Disadvantages:* The proposal could create an unwieldy, bureaucratic organisation. It would be difficult to know where to draw the line if equipment were included in the service and there would need to be clarity on legal responsibility. In places where integrating of equipment stores had not worked well there was scepticism about the model. The model of expert specialist staff does not fit well with current trend towards generic working.
- *Cost/benefit:* It would be disruptive and labour intensive to set up. In the longer term it should lead to better communication and planning and better use of resources.
- *Viability:* This proposal is more viable for unitary authorities than for others. Some unitary authorities have already established and are further developing such systems. We conclude that forms of delivery are best left to local discretion.⁸⁶

4.15 **A single pooled fund for all major adaptations should be created. Housing authorities, social landlords, Primary Care Trusts (PCTs) and Social Services Departments could all be required to contribute.**

This would probably be most effective in conjunction with the single agency discussed in para 4.8 above.

- *Advantages:* Assembling a budget from social services and all the housing authorities in a county might create sufficient resource to engage PCTs in dialogue. Taken in conjunction with the single agency, there would be streamlining and better information and clarity for service users. A tenure-neutral approach would be welcomed as this would make the system more equitable.
- *Disadvantages:* PCTs would be unlikely to put money in; housing associations would not be legally permitted to put money in. It would be difficult to determine in a robust manner the relative amounts of contribution from each partner. All parties are likely to commit less to pooled fund than they would to a fund exclusive to their constituents.
- *Cost/Benefit:* Difficult to determine in a robust manner the relative amounts of contribution from each partner. The administrative costs of running and accounting for a pooled budget are high. Money for adaptations is likely to reduce.
- *Viability:* Our conclusion is that this is not at present a viable option.

⁸⁶ A comment on this proposal was that the assessment process was more problematic than the process of delivery and a single authority responsible for more holistic assessment of needs in the home was needed.

4.16 **Stairlifts to be loaned rather than grant-aided, and responsibility for them and their maintenance to be transferred to equipment providers.**⁸⁷

Under this model stairlifts would be loaned by Integrating Community Equipment Services, with servicing and repairs also supplied by social services/health.

- *Advantages:* There will be significantly less waste of public money. The burden of paying for maintenance contracts will be lifted from disabled people. Very efficient use may be made of NHS technicians with skills in fitting and maintaining equipment. As money will go further, more people should receive stairlifts, and with greater speed.
- *Disadvantages:* Integrated equipment stores may not currently have the capacity to take over this work, or the space to store the stairlifts. Negotiations on funding will be necessary to ensure that the ICES have the capacity to take on this responsibility without adversely affecting the provision of other equipment. For service-users who are receiving a stairlift as part of a package of adaptations, good co-ordination will be necessary.
- *Cost/Benefit:* The costs to ICES per client will be less than the current cost of grant-funding because of the element of equipment re-cycling. If the opportunity is taken to meet the needs of a larger number of eligible people then this should lower unit costs. It would represent better value for money rather than reduced outlay. Some of the local authorities that supplied data on adaptations included details on the type of work carried out. Among these authorities, just under one in five completed adaptations involved installing a stairlift (18%). Applicants over 65 years account for four out of five stairlifts, with the remainder going to applicants under 65 years in a household without a disabled child. There was only one recorded DFG case of a stairlift being installed for a non-retired household with a disabled child. The installation of a straight stairlift is a relatively modest cost and hence stairlifts account for an estimated £1.01mill or 11.3% of the DFG grant spending by this sample of local authorities during the period covered by the data. Based on the spending by these authorities we estimate that grants for the installation of stairlifts account for £18 million or 10.4% of DFG spending annually. Stairlifts accounted for a similar proportion of the non-proceeding enquiries received by these authorities (20%). At an average gross grant per installation of £3,538 this would suggest the potential for a further £0.74 million of spending on stairlifts in these areas. This represents an estimated £26.1mill nationally, including an allowance for unmet need.
- *Viability:* The proposal is viable and is indeed already the practice in Northern Ireland. Capacity will need to be developed to make this change, however, so it should be brought in slowly and with care. Extra funding to ICES will be necessary and costs would have to be met through discussion and agreement between the Department of Health and the ODPM. Insofar as some of the money that would have been spent on stairlifts is retained in DFG budgets, however, it will be available to fund other proposed changes.

⁸⁷ At this stage we are not suggesting the transfer of responsibility of through-floor lifts, which are much more expensive and, because they require major building works to accommodate them, are permanent in a way that stairlifts are not.

4.17 **Home Improvement Agencies to become the vehicle to deliver all adaptation works, in all tenures.**

This is effectively a proposal for an adaptation ‘one stop shop’. They should be funded to extend their service to council tenants and housing associations.

- *Advantages:* A one stop shop would be highly advantageous to service users because of the specialist skills and preferences of HIAs. There would be greater scope for equity of treatment across tenures. It could be particularly valuable for housing associations when properties are a long way from their service centres or there is a lack of specialist expertise – and for the relevant tenants.
- *Disadvantages:* Not all Home Improvement Agencies would be able to deliver such a service and there are dangers in putting the responsibility for the whole service with one agency in case it fails. Capacity would have to be gradually built up to take on this work. Such an arrangement might put the advocacy nature of independent HIAs at risk.
- *Cost/Benefit:* Local authority staff might have to transfer to the agency, which would have cost and security implications for staff and agency alike. HIAs tend to give very good value for money.
- *Viability:* Viability would depend on local circumstances. Once again we think that while this idea has merit, it is best left to local discretion through the new local adaptation strategic planning groups to determine the most appropriate structures for local provision.

4.18 **There will be a new system for organising the way in which adaptations for housing associations are funded.**

The ODPM, instead of making a payment to the Housing Corporation for adaptations, should retain the funding for allocation to local authorities or directly to housing associations. Every housing association should have an investment plan for adaptations in their stock, as part of their asset management strategy, and a local agreement should be made with each local housing authority in which the association owns stock.

4.19 Housing associations should use their own resources to fund minor⁸⁸ adaptations (up to £1,000) that are not funded by social services. For more expensive work, associations with over £500,000 unsecured reserves, may choose a) to carry out adaptations for their tenants to DFG standards out of their own resources (in this case they will be eligible for a share of direct ODPM funding) or, b) agree that tenants will apply for DFG. In this case, the local authority will re-charge the Association for 40% of the cost. For associations with less than £500,000 unsecured reserves, option a) would also be available, or option b) with no recharge by the local authority to the housing association.

- *Advantages:* Local authorities and housing associations will achieve better understanding of each other’s position. The extra resources currently put in by housing associations where they can afford it will not be lost. There will be a proper, equitable system for funding adaptations for housing association tenants.

⁸⁸ A forthcoming (2005) publication from the College of Occupational Therapists and the Housing Corporation gives a specific list of ‘minor’ adaptations that may be fitted without an OT assessment. This is not quite a complete list of what might be defined as ‘minor’ however (some minor items still require assessment), so the definition by cost is probably more appropriate.

- *Disadvantages*: It will be hard work initially for housing associations with stock in many areas. It will also need extra work by the ODPM, although this could be delegated.
- *Cost/Benefit*: This will put an end to wasteful DFG applications from housing associations for minor adaptations. It will encourage strategic thinking by associations about adaptations and above all it will save the waste and distress currently caused to tenants who suffer because of the current confusion. The proposal should suit both committed landlords with good adaptation systems of their own and landlords who have no desire to get involved.
- *Viability*: This proposal raises some tricky issues. The researchers believe it is viable but that it will need to be considered by the National Strategic Group and refined in the light of full consultation with stakeholders.

Modelling the impact of options for change

4.20 Our modelling efforts concentrated on the following three types of change:

- Changes to the Test of Resources.
- Changes to eligibility.
- Changes to the upper limit on grant.

4.21 When considering the estimated budgetary impacts of the various options, it is vital to keep in mind that the estimates are of the direct impact upon the DFG budget. They do not take into account the offsetting financial benefits to central and local government that will accrue as the result of the investment. These benefits arise from a number of sources. The precise combination of benefits depends on the option under consideration, and we consider this further below, but in summary the range of potential benefits include savings to the DH from reduced demand for hospital and residential care; savings in local administrative resources as a result of, for example, not having to administer the test of resources or spend time attempting to raise funds from other sources to supplement DFG monies; and, for some, savings through better quality adaptations that have a longer effective life. There would, of course, also be important financial and non-financial benefits to households receiving adaptations.

CHANGES TO THE TEST OF RESOURCES

4.22 Using information from local authorities on enquiries made and grants given in the years 2001–2004, supplemented with wider information on unmet need from the national survey of Local Authorities, we estimated the impact of a range of options for changing the test of resources. The options considered are summarised in Table 4.1 and discussed in more detail in the following paragraphs.

4.23 Some of the options have implications for all households subject to the test of resources, while some will impact on subsets of households. In some cases these subsets are relatively small. The estimated impacts that these options will have upon the amount of grant required are presented in Table 4.2. The table indicates that the

Table 4.1 Options for change to the test of resources

Option	Comments
1. Basing the housing allowance on a regional average housing costs not national figures.	To take greater account of variation in housing costs across the country. The indicator used for the modelling was regional average mortgage payments.
2. Incorporating actual housing costs into the test of resources.	A step beyond option (1) to greater sensitivity to individual circumstances. Data from the SEH were used to proxy actual housing costs.
3. Disregarding earned income in the definition of household income.	To address the way the system discourages working households, and hence increase the possibility that they can benefit from DFG assistance with adaptations.
4. Increase the capital disregard to (a) £50,000 and (b) £100,000.	To reduce the effect of the test of resources on those who had accumulated personal savings.
5. A system of means testing based on (a) the Fairer Charging for Care Services (FCCS) model and (b) a modified FCCS model.	To examine the effect of placing DFG on the same basis as charging for home care. The model incorporates elements of options 2 and 3, along with changing the basis for personal allowances to 'basic' Income Support levels+25%. The modified version takes a hybrid approach to accounting for housing costs.

estimated impact varies substantially. It presents an estimate of three magnitudes. The second column presents an estimate of the change in the net grant required by those who received grant under the current system. This estimate is then grossed up to an estimate of the total impact of the change on all households who are currently known to the system, including the estimated impact of the change on those who currently enquire but do not proceed (column three). This is given to indicate the impact of changing the test of resources without addressing other unsatisfactory aspects of the current system (see para 4.9) – a lower limit on likely impact. The fourth column sets out an estimate of the impact of the change that takes account of unmet need. As discussed above and in Annex H, modelling the impact of policy change on the basis of the data currently available requires a significant array of assumptions and this means that figures are primarily indicative. The table also provides a broad indication of who would benefit under such a change. Groups are typically cited if more than 10% of those who are currently contributing would see their contributions reduced to zero.

4.24 **Option 1: Basing the housing allowance on a regional average housing costs not national figures.**

- *Advantages:* Greater sensitivity to local variations in housing costs, which would be an improvement over the standard housing allowance built into the current system. The system will more adequately reflect the impact of housing costs on disposable incomes in regions with relatively high housing costs. It will treat those with very low actual housing costs (typically older people) relatively generously, especially if living in otherwise high cost areas.
- *Disadvantages:* Using a regional average allowance will have the effect of damping down variations: a regional average will only ever be a crude indicator of variations in actual housing costs. In particular, those households with very high housing costs will not see their housing costs fully reflected in the allowance.

Table 4.2 Estimated impact of options for change to the Test of Resources				
Option	%change in net grant to current recipients (Sample LAs)	Total impact on annual DFG budget nationally, current enquiries (£mill, %change grant)	Total impact on annual DFG budget nationally, including estimate of unmet need (£mill, % change)	Who in the sample local authorities would be particularly helped?
1. – Regional average housing costs	+2.2	+9.8 (5.7%)	+34.2 (19.7%)	South East and South West; Non-retired recipients with disabled child.
2. – Actual housing costs	-1.3	[-2.1 (-1.2%)]	-	Household (HH) with high housing costs either because of location, tenure or level of housing consumption.
3. – Disregard earned income	+1.4	+13.3 (7.7%)	+35.3 (20.3%)	Non-proceeding HHs under current system; non-retired HHs esp with disabled child; South East and South West.
4a. – Capital disregard £50k	+0.7	+4.4 (2.5%)	+7.4 (4.3%)	Non-proceeding HHs.
4b. – Capital disregard £100k	+0.7	+5.0 (2.9%)	+9.3 (5.3%)	Non-proceeding HHs, except non-retired without disabled child; Recipients in the South East making contributions<4k.
5a. – Fairer charging (FCCS) model	+1.6	+17.2 (9.9%)	+43.4 (25.0%)	Non-retired HHs, esp those not proceeding; South East and South West.
5b. – Modified FCCS model	+2.6	+23.8 (13.7%)	+51.0 (29.4%)	Non-retired, non-proceeding HHs, HHs with disabled child. South East; South West and East (not proceeding HH).

- *Cost/benefit:* This option generally increased households’ applicable amounts and reduced the proportion assessed as making a contribution. As a consequence it would add an extra 2.2% to spending on current DFG recipients in the sample LAs. It would add an estimated 19.7% to the national budget if provision is made for unmet need. Those who would benefit most would be people of all ages living in the south-east and south-west regions and especially working age adults with a disabled child.
- *Viability:* This proposal represents a relatively modest modification to the method of calculation currently used. The main issue is identifying a suitable indicator.

4.25 **Option 2: Incorporating actual housing costs into the test of resources.**

- *Advantages:* Incorporating actual housing costs into the test of resources would reflect more accurately a household’s actual disposable income. This would be

advantageous to those living in high cost areas or with particular high housing costs.

- *Disadvantages:* The information required to carry out the test of resources would be more complicated and this likely to slow the process. The change would have significant distributional implications: those with low housing costs are likely to face higher contributions under this system than under any system of standard housing allowances. Those with low or nil actual housing costs who are assessed under the current system as being required to make a nil contribution are mainly older people with low disposable incomes. A change to the test of resources that requires them to contribute would place additional strain on their limited resources.
- *Cost/benefit:* This change has a rather different budgetary impact to the other options considered. It would lead to a reduction of 1.3% in public spending on current recipients in the sample LAs. A large proportion of current recipients are older people, many of whom have nil actual housing costs or housing costs below the level of the current housing allowance. Some households currently assessed as having zero net resources would be assessed as required to make a contribution under this option. This effect outweighs the impact upon households with relatively high housing costs, whose contribution would be lower under this option. Hence the net effect is to reduce the overall level of DFG. It is not possible to estimate the national impact of this option because it is difficult to assess quite how the demand for DFG would change as a result, either in terms of the increase in application from those who benefit or increased drop out from those who face paying more. Those who do not proceed at present are generally higher income, but there is no direct information on their housing costs.
- *Viability:* Technically implementing this option should not be too challenging. The main prerequisite would be a specification of the components of an appropriate measure of actual housing costs. However, an option under which such a large proportion of households is disadvantaged may not be politically feasible or desirable.

4.26

Option 3: Disregarding earned income in the definition of household income

- *Advantages:* This will remove the disincentive to work inherent in the current Test of Resources and so help disabled people of working age, including disabled parents, to improve their own life chances. This will enable those who are currently excluded from help because of their own or their partner's work to get the adaptations they need, which would in turn have many beneficial effects (see chapter two). It will put the DFG test of resources on a similar basis to Fairer Charging for Care Services. This may help to make the system more comprehensible.
- *Disadvantages:* It will mean increased costs to the public purse in initial outlay (although there will be resultant savings to offset). People on high salaries will be able to benefit. It may seem unjust to those whose pensions and savings are also the product of earned income but are not exempt.
- *Cost/benefit:* This option affects a substantial proportion of households already in contact with the DFG system and of those whose needs are currently unmet.

Consequently we estimate that impact upon the national budget, based on the impact of this change upon current recipients and enquiries, would be £13.3 mill (7.7%) per year. If an estimate of unmet need is also included then the budgetary increase becomes a more substantial £35.3 mill per year (20.3%). Benefits of this option include the increased productivity of applicants; reduced dependency; and savings to health and social care.

- *Viability*: This is a viable option, and fits entirely with the principles of the Prime Minister's Strategy Unit 2005 report.

4.27 **Option 4: Increase the capital disregard to (a) £50,000 and (b) £100,000.**

- *Advantages*: This would give more realistic recognition to the level of savings needed in an age when retirement may last three decades. The older people consulted for this research reminded us of the functions of savings – not just for funeral expenses – but to replace such items as a car, or any household items once income was much reduced, and to pay for the unknown costs of care at home in the event of chronic illness. The change would be in line with other Government policies of not requiring people of moderate means to be ineligible for help because they have saved.
- *Disadvantages*: None evident, apart from, at the policy level, the increase in grant expenditure and the possible appearance of less clearly targeting the benefit on people because of their limited resources rather than their level of impairment.
- *Cost/benefit*: These options have the most modest impact both in the sample local authorities and in aggregate: the impact is estimated to be a 4.3% increase in grant if the capital limit were increased to £50,000 and a 5.3% increase if the limit were to be increased to £100,000. The modest increase is because the change affects a relatively small proportion of those who are currently subject to the test of resources. However, for those affected the impact can be substantial.
- *Viability*: This would be a viable option. Government may prefer an increase in the limit to the lower of the two alternatives.

4.28 **Option 5: A system of means testing based on the Fairer Charging for Care Services model**

- *Advantages*: The FCCS means test both incorporates actual housing costs and disregards earned income, the advantages of this option are therefore akin to those of options 2 and 3.
- *Disadvantages*: This test takes into account actual housing costs rather than using an allowance. The disadvantages are akin to those for option 2 above and, while households with high actual housing costs would benefit, it would mean some older people would have higher contributions.
- *Cost/benefit*: This option incorporates a number of alterations to the current system and these work in different directions. As we have noted above, incorporating actual housing costs tends to increase contributions for many, while removing earned income from the test of resources reduces the assessed contributions for all working households. The FCCS approach makes a further

significant change, which is to set the test of resources on a different basis: instead of the current DFG applicable amount the FCCS means test compares household income with 125% of basic income support levels. The relationship between DFG applicable amount and 125% of basic income support varies considerably between households, both positively and negatively. As a result options based on FCCS are not simply a composite of options two and three. The net impact of option 5a is estimated to be a 25% increase in grant (£43 mill) per annum, once an estimate of unmet need is incorporated.

- *Viability*: The distributional consequences of option 5a, specifically the adverse effect on older people that work through the change to actual housing costs, would in our view be unacceptable. This means that if the FCCS principles were to be adopted as a basis for the DFG it would be necessary to consider adjusting the principles to address this problem. For example, a hybrid approach to the housing component could be adopted: actual housing costs could be taken into account until they reached a floor set at the current allowance levels, at which point the allowance would be used in the test of resources. Such a modification could effectively ensure that while there were some ‘winners’ from the change to a model based on the principles of FCCS there would be no ‘losers’. This modification is modelled as option 5b. The consequence of this modification would be an increase in the cost of change compared to option 5a. We estimate, for example, that the effect of this hybrid system would be to increase the increment of the grant going to existing recipients from the 1.6% of option 5a to 2.6% of option 5b. When this change is grossed up to national level the estimated impact upon the annual budget increases from 25% to 29.4% (£51 million).

4.29 The principles embodied in these options were discussed with groups of stakeholders during the research. There was considerable support for the greater recognition of actual housing costs, and a corresponding focus upon disposable income. In general, it was felt that actual housing costs represent a better approach than regional housing allowances. There was also strong, consensus support for the exclusion of earned income from the test of resources. While it would be possible to alter the multipliers used for the test of resources in order to reduce the severity of the increase in contributions that accompany a moderately higher income (as illustrated in Table 3.3), it was felt that a more fundamental change – through excluding earned income entirely – would be desirable. The issue of capital disregard was a particular concern for older people, who were keen to point out that even savings of £50,000–£100,000 do not last long if they are not being replenished from income. While the assumptions about the level of income derived from savings embodied in the current system may be rather implausible, the proportion of households whose contribution is affected by holding substantial savings is relatively modest.

CHANGES TO ELIGIBILITY

4.30 In addition to considering changes to the test of resources we have estimated the impact of options for changing eligibility. Three principal options for changing the scope of the test of resources were considered. They are summarised in Table 4.3 and an overview of the estimated impact of the options is provided in Table 4.4. We consider each option in more detail in the paragraphs below.

Table 4.3 Options for changing eligibility	
Option	Comments
6. Remove the Test of Resources in children's cases.	Children's cases tend to be infrequent, complex and relatively expensive. Families already face significant costs – not simply financial – in coping with the disability in the family and are highly likely to be affected by the test of resources.
7. Exempt all work costing under £4,000.	A substantial proportion of DFG works are small and the current test of resources generates contributions that are small relative to the resources absorbed in administering the system.
8. No Test of Resources for any applicant.	Removing entirely the requirement for applicants to contribute below the grant limit of £25,000. This gives an estimate of the likely upper bound on the budgetary impact of change.

Table 4.4 Impact of options for changing eligibility				
Option	%change in net grant to current recipients (Sample LAs)	Estimated total impact on annual DFG budget nationally, current enquiries (£mill, %change grant)	Estimated impact on annual DFG budget nationally, including estimate of unmet need (£mill, % change)	Who in the sample local authorities would be particularly helped?
6. – Children's cases exempt	+0.4	+5.9 (3.4%)	+11.6 (6.7%)	Households (HHs) with disabled children only.
7. – Under £4k exempt	+0.7	+4.0 (2.3%)	+23.1 (13.3%)	Retired HHs; South East; Yorkshire & Humberside.
8. – All exempt	+3.2	+37.2 (20.7%)	+124.3 (71.4%)	Non-retired HHs with disabled child; Non-proceeding HHs; South East.

4.31 **Option 6: Removing all means testing from children's cases.**

- Advantages:* All disabled children will get the adaptations they need without delay, to the benefit of their development and life chances and those of their siblings. The burden of anxiety and debt regarding adaptations will be lifted from the parents, and the risks to parental health will be more swiftly reduced. The disincentives to work for parents will be removed. Occupational therapists will be freed of the task of fund-raising from charities and so have more capacity to use their professional skills. There will be fewer complaints to the Local Government Ombudsman and fewer costly legal disputes concerning adaptations for children. There will be long term savings in health and social care costs and some reduction in residential care costs.
- Disadvantages:* There may be an initial surge in demand, from families who have been unable to proceed because of their contributions. As well as the removal of the means test, the prevention of delay is also partly contingent on raising the maximum grant limit and an increase in funding overall.

- *Cost/benefit*: The net change in grant to existing DFG recipients in the sample authorities resulting from the implementation of this option is extremely modest (+0.4%). This is because the cases involving adaptations for children are a small proportion of the total. When grossed up to national level this translates to a 3.4% increase in budget, because those adaptations that would go ahead as a result of this policy change are on average more costly. Yet, the estimate of additional resources required once unmet need is taken into account is still relatively modest (£11.6 mill per annum).
- *Viability*: This is a viable option, as the precedent in Northern Ireland has shown.

4.32

Option 7: Exempt all work costing under £4,000.

This option is more relevant to the older people, who form the majority of DFG applicants.

- *Advantages*: Works costing under £4,000 account for something of the order of half the cases funded through DFG. Cases to which the test of resources is applied generally result in no or very low level contributions. Delays resulting from the bureaucracy associated with means testing and the requirement, for example, of obtaining the requisite number of builders' quotes would be avoided, as would the cost of conducting the means test itself.
- *Disadvantages*: The argument for exempting works under £4,000 from the test of resources is primarily a pragmatic argument: applying the test of resources (TOR) in these cases is bad value for money. It is also an argument about the impact of delays on the quality of life of the, typically older, people who require adaptations. It is open, however, to the objection that there is no reason at the level of principle why those requiring adaptations under £4,000 should be exempt while those requiring larger adaptations – who are arguably likely to be in greater need – have to undergo a test of resources.
- *Cost/benefit*: The budgetary impact of exempting these works is more modest than the volume of cases would initially suggest, precisely because these are cases up to a ceiling of £4,000 and the average level of contribution being made by applicants is low. Yet, when an estimate of unmet need is included, exempting adaptations costing £4,000 or less is estimated to have a more significant budgetary impact (£23 mill) than abolishing the means test for children because a high proportion of unmet need is likely to comprise adaptations of this size. It is also important to recognise that this analysis incorporates straight stairlifts – because it was not possible to identify type of works for all authorities and remove cases involving stairlifts from the dataset. Hence, if, as discussed above, stairlifts were moved to ICES, the additional demands on the DFG would be reduced.
- *Viability*: Adaptations below £4,000 are likely to represent a significant proportion of unmet need, but data on unmet need is not as robust as would be desirable. It may, therefore, be considered imprudent to exempt all such cases at this stage. One alternative would be to exempt all applicants who are on means tested benefits ie. means-tested benefit would act as a passport for adaptations up to £4,000 under the DFG. Given that recipients of Income Support, Job Seekers Allowance and pension credit are already passported, the issue of unmet need then becomes one of information, local demand management practices and the volume

of recipients of other means-tested benefits. Work by ODPM using the English House Condition Survey (EHCS) suggests that of the households who are currently ineligible for DFG a negligible proportion are in receipt of means-tested benefit. Hence, the implications for the DFG budget of passporting households on means-tested benefits would be heavily constrained. It would save resources by reducing the volume of means testing. The change could, and in our view should, be seen as an initial step towards broader exemption of all adaptations below £4,000, if it is judged to be too risky – given current uncertainty about the level of unmet need – to move directly to exempting all such cases.

4.33 **Option 8: No Test of Resources for any applicant**

- *Advantages:* This option would save all the bureaucracy and costs of means testing. A figure for the administrative cost of means testing of around £200 per case is not implausible, so this change would produce significant savings and free some resources to be used more productively. Unlike the selective exemptions proposed above, removing the test of resources for all applicants would represent equality between all age groups. It thereby signals a commitment to improving the life chances of disabled people at whatever stage of the life course.
- *Disadvantages:* It would be wrong to assume that all those able to access an adaptation at zero contribution will necessarily wish to have such an adaptation. Yet, it is undoubtedly the case that if the policy change became known, potential additional cost could be substantial and the delivery of adaptations to all those entitled would result in an infrastructure of staffing that is very stretched, with consequent delays.
- *Cost/benefit:* This option could be viewed as the outer limit on change. As might be expected, its impact is substantial. Even without attempting to incorporate any estimate of unmet need, the budgetary impact of funding works for those enquiries that are already known about is estimated to be £37 million per annum. Given that this option is likely to have the most significant effect on unmet need – because all households that are currently not part of the system would be directly affected – the estimated impact taking account of unmet need is a 71% increase in the annual DFG budget (£124 million).
- *Viability:* If attention were restricted to current enquirers then it might be concluded that this would be a viable option. However, when unmet need is taken into account the costs are substantially higher. It must be acknowledged however that estimates of unmet need have a considerable degree of uncertainty attached to them. It might be wise to gather more information on the impact of removing the means test for children and on cost-benefits of adaptations before reconsidering the option. This may demonstrate, on the one hand, that levels of unmet need are lower than anticipated and, on the other, that when we have a fuller appreciation of the range and scale of the benefits of adaptations it may be considered desirable to encourage take up of adaptations to be as extensive as possible, and scale up the DFG budget accordingly.

CHANGES TO THE UPPER LIMIT ON GRANT

- 4.34 The third type of change to the test of resources that was considered was the impact of changes to the upper limit on grant. This is the area where our estimates are subject to

the most substantial health warnings because, first, the number of cases that exceeded the grant limit is very small. From the national survey it would appear to be only of the order of 1%. Cases with gross grant of £25,000 or more accounted for a slightly higher proportion (2.5%) of completions for the local authorities that supplied us with data. Second, it is necessary to try to construct an artificial baseline at £25,000 (ie. ignore any DFG over this figure) in order to investigate the impacts of raising the limits. Without this artificial baseline the impact of changing the limit on applicant contributions in some local authorities will be zero because other resources are used to top-up the DFG. The accompanying assumption is that cases will still proceed even with the higher applicant contribution. While there is a risk that this approach overstates the impact upon the DFG budget, it more accurately reflects the rules as they have operated subsequently to the removal of discretionary DFG in 2002. After the policy change, few cases recorded costs over £25,000: while the suspicion is that the figure of £25,000 may not reflect the actual costs and hence the applicant's full contribution, it was not possible to disentangle this on the basis of the data provided by local authorities.

4.35 In order to estimate the impact upon those who do not proceed under the current system we make the conservative assumption that they would all be eligible for a grant at the new upper limit in each case (and £60,000 for the situation where there is no limit). We estimate that this rises to a budgetary increase of 10% when the limit is removed altogether. We would suggest that moving the limit to £50,000 or abolishing it entirely has a modest impact on the budget overall, given the current level of costs for substantial adaptations, because it would affect a relatively small proportion of cases. However, the beneficial impact upon those cases of raising the limit would be substantial.

4.36 **Option 9: Changes to the upper grant limit.**

- *Advantages:* The most seriously disabled people, needing the most extensive adaptations, would no longer be the most likely to suffer long delays while funding is sought. The costly consequences of delay will be prevented and costs of officer time spent in negotiation will be saved. The raising of the limit should also prevent the supply of inadequate or poor quality adaptations, with consequent problems and waste. The higher limit will allow Home Improvement Agencies to charge proper fees for their services and so enhance their sustainability.
- *Disadvantages:* Builders quotations at the margin of £25,000 will probably rise somewhat once it is known that there is no cap at this level. One or two adaptations at £50,000 would impact greatly on the budgets of smaller authorities.

Table 4.5 Impact of changing upper grant limit

Upper limit to:	Estimated impact on annual budget nationally (£mill, %chg)	Sample LAs Estimated chg in net grant to current recipients (£mill)	Estimated chg in net grant to those not proceeding under current arrangements (£mill, %chg)
£30,000	+0.31 (+1.4%)	+0.122	+4.3 (2.5%)
£40,000	+0.62 (+2.9%)	+0.284	+9.2 (5.3%)
£50,000	+0.77 (+3.6%)	+0.450	+12.9 (7.4%)
No limit	+0.90 (+4.2%)	+0.665	+17.3 (10.0%)

There will be a risk that the money currently coming from social services into these larger adaptations will be lost to the system altogether.

- *Cost/benefit:* Among the sample local authorities, the impact upon current recipients of moving the upper grant limit to £30,000 was estimated to be an increase of 1.4% (£0.31 mill) in budgets. From Table 4.5 it can be seen that this increases to a 3.6% addition to the budget if the limit were to be increased to £50,000, with only a further 0.6% added when the limit is removed altogether. Grossed up to national level, and taking account of unmet need, this translates to an additional 2.5% (£4.3 million) budgetary requirement if the limit were increased to £30,000 and 7.4% (£12.9 million) if it were increased to £50,000. This rises to 10% (17.3 million) if the limit were abolished altogether.
- *Viability:* In many cases already, the money for high-cost adaptations is eventually found from outside the DFG budget, but only after costly delay, as explained in chapter two. Arguably, raising the limit does not increase the net cost to the public purse, but reduces waste. The higher the limit, the more people who are completely excluded at present would be helped. From what is known on the current costs of adaptations, a change to £50,000 is what is needed to cover the cost of a standard extension. At costs higher than this, officers like to have a chance to consider best value and alternative options. We would suggest that, given the current cost of adaptations, raising the limit to £30,000 would, while clearly viable, not yield the substantial benefits that this option has the potential to deliver. Indeed, in some of the cases affected it would have very limited impact in practice. On the other hand, removing the limit entirely would mean that officers would lose the spur in the case of exceptionally high costs (and we already know of cases costing £100,000) to consider whether adaptation is the best route to take. Hence we would suggest that raising the limit to £50,000 would be a viable and beneficial policy change. We would also suggest that for an increase in the grant limit to be of sustained benefit policy should include a mechanism – index-linking to building costs being the most straightforward – to ensure that the real value of the grant limit is maintained.

Changes to mandatory provision

4.37 Drawing on the key points of our consultation with stakeholders, summarised in chapter three (para 3.27 onward), we can identify five possible changes or extensions to mandatory provision that address the needs of households more adequately or flexibly. We would argue that these changes are of considerable significance when the focus is upon quality of life for all the members of a household that includes a person with impairments and when DFG spending is considered as an investment. The changes are as follows:

- Add provision for extra space where this is needed to promote family life.
- Add clear right of access to the garden or outdoor space.
- Include provision for households with children with challenging behaviour, including Attention Deficit Hyperactivity Disorder and for children with Autistic Spectrum Disorders.

- Add provision for the childhood needs of the disabled child and their siblings, including play, education, development and social contact.
- Add provision to allow someone to work from home.

4.38 It was not possible to cost these options in any way, in part because of the data requirements. However, the key issue underpinning several of them is space – so extending the upper grant limit would certainly be necessary if any of them were to be addressed. There would also be a need to allow and encourage the more flexible use of DFG monies.

Changes in legislation or regulation

4.39 **Local authority powers to respond flexibly.**

Serious consideration should be given to allowing local authorities powers to use subsidised DFG funding for options (most commonly relocation) other than or in addition to adaptations, when these offer a better solution.

- *Advantages:* This would help those whose homes are absolutely unsuitable for adaptation. It will also be important to those who want to move because of location, for work or for other reasons. Amongst owner-occupiers, most people do not want to move, so it might apply in perhaps 5% of cases. Tenants are more likely to want to move. In particular, Beresford and Oldman (2002) found that a majority of parents of disabled children in the social rented sector would have preferred a move to adaptation, although this finding does not take on board the gap between their aspirations and the reality of the supply of suitable alternative housing that our national survey has revealed.
- *Disadvantages:* The subsidised budget would need to increase if it is to include help with relocation in addition to adaptations, or it would have a negative effect on other applicants. There is a danger, if this freedom is given, that people may be strongly persuaded to move when they do not want to.
- *Cost/benefit:* It is not a good use of resources (unless there are pressing social factors) to adapt properties that are very unsuitable for adaptation. The aim is to achieve better value for money by getting better outcomes for the money spent and to avoid choosing adaptation just because this is the subsidised solution.
- *Viability:* The value of the relocation option has already been shown by authorities who have pioneered it using other housing resources. This option will be constrained by the availability of a suitable property to move to, unless it is further expanded to include the possibility of contributing to specifically commissioned new-build. Disability Housing Registers (see Annex J) would also help. In Reading, The Ability Housing disability housing register (mainly social rented sector) achieves about one match a month. Staff will need good support to help them manage something so flexible in an equitable way.

4.40 **Remove VAT from all adaptation work.**

This change would reduce the cost of works to the DFG budget.

- *Advantages.* The DFG budget would not have to fund the cost of the VAT, which we estimate represents around £9.7 million (1.9%) of DFG spending⁸⁹. Time (and therefore costs) would be saved for builders, officers and Home Improvement Agencies. It would be beneficial to all applicants (because the grant would not be partly used up in paying VAT on items and on fees), and especially beneficial to Home Improvement Agencies where margins are very tight.
- *Disadvantages:* The Inland Revenue would lose the revenue.
- *Viability:* This change offers a simplification of a system that is unnecessarily complex for a relatively small return and is therefore wasteful. Its viability would depend on the agreement of the Inland Revenue.

Changes in financial arrangements

4.42 **Ring-fenced budget to be removed.**

This option is discussed further in chapter five. It was very thoroughly considered, but detailed costing of the impact was beyond the scope of this research.

- *Advantages:* This would decentralise priority setting and allow more flexible use of resources. It would be in line with Government's general policy of decentralisation. It would reduce the burden of programme administration centrally. It might stimulate local authorities to consider more carefully the amount they need to allocate to meet their mandatory obligations to supply DFG.
- *Disadvantages:* A majority view among officers and local authorities was that it would lead to a reduction in the amount of money spent on adaptations.
- *Viability:* This is already the situation in Wales, but this is in a context of a very different constellation of policies and structures. In England, this would be a viable option only if some alternative lever on authorities to whom adaptations are a minority issue were first put into place.

4.43 **Phasing in a system for a ring-fenced adaptation subsidy for council housing.**

- *Advantages:* This would be a key step in creating the tenure-blind system that so many of those consulted said they wanted. This is particularly important because of the concentration of disabled people in this tenure. It would enable the needs of disabled council tenants to be met better and more swiftly. It would benefit non-disabled tenants who currently lose out on investment and improvements that would improve their quality of life because of the amount of Housing Revenue going into adaptations. The cost savings that investment in adaptations produce would mean that the introduction of subsidy would produce benefits elsewhere in reduced health and social care costs.

⁸⁹ Of the twelve local authorities providing data, 10 provided information identifying the VAT component of the cost of works. While in the majority of cases VAT was not recorded, for a substantial minority it was. In a small number of cases (just over 1%) VAT of over £10,000 was recorded. Across these 10 authorities as a group VAT represented 1.9% of gross grant, but this varied between the negligible (0.01%) and the rather more substantial (3.8%). Grossing this figure up to national level suggests that VAT accounts for around £9.7mill (1.9%) of DFG spending.

- *Disadvantages*: To match the subsidy given for the private sector in a simple way would mean almost doubling the current national DFG allocation.
- *Viability*: Arriving at equality between tenures would take some time. The additional funding that would have to be found from taxation or other services might suggest that this is too big a change to propose. Because, however, the sector is shrinking and there will be savings elsewhere if the change is made, a phased move in this direction should be considered by the Strategic Working Group.

4.44 **Placing a charge on the property to secure repayment of a proportion of the grant if it has funded an extension and if the applicant moves in less than five years.**

The proportion to reduce each year and authorities to have power to waive the charge.

- *Advantages*: The proposal would help to discourage fraud in the form of people obtaining adaptations that enhanced the value of the property when not genuinely giving a permanent home to the disabled person. If the charge were returned to the ring-fenced budget, this would be helpful to other applicants. It might prevent waste by helping some families to consider before adaptation whether they want to move.
- *Disadvantages*: Applicants who had genuine reasons for moving after adaptation would be disadvantaged. The money would not normally be returned to the adaptation budget but to the local authority general fund.
- *Cost/benefit*: Local authorities may have to pay £200–300 to place such a charge and may not think it is worth it.
- *Viability*: This kind of policy has been used before and is viable.

4.45 The viability of a more general policy of paying for adaptations through a charge on the property was also thoroughly debated during the research consultation. Houseproud (see chapter two) makes use of this system and it benefits some people, but as a more general policy it was not seen as practicable. The cost and complexity of administration would considerably undermine any possible benefits. The possibility of making a charge only on increased value was also extensively discussed, but the cost of seeking successive valuations and the potential disputes about valuation and about what had caused any increase led us to the conclusion that this was not a viable proposal.

More fundamental changes or options

4.46 Beyond the issues we discussed in detail during the consultation a set of ideas emerged that require more fundamental change and may represent potential longer term solutions. These ideas have merits but are likely to require considerable development work. These are proposals to be more fully evaluated by the Strategic Group that we recommend should be established.

4.47 **Direct payment to the service user, to spend as they will on adapting their homes, on the model of new experimental Direct Payments projects.**

This proposal has arisen from the long-term recommendations in Improving Life Chances for Disabled People towards independent living, more control and individual

budgets. Some service users believe they could get much better value for money from builders than the local authority is able to do. Many disabled service users would not want this responsibility, of course, and there are concerns from professionals about the possibility of disastrous adaptations or misappropriation of the money.

4.48 **Adaptations to be designed to increase value of the property, rather than to minimum standard.**

It makes more sense in terms of sustainability of the nation's housing stock to use public money to enhance the value of a property than to carry out work that reduces its value. The problem is that it is not the public sector that recoups the investment. However, thinking is increasingly focusing on the issue of asset management, in the housing association sector in particular, and this would appear to offer an opportunity to broaden thinking further.

4.49 **Children's adaptations to be made the responsibility of a holistic disabled children's service.**

The advantage of this approach is that it would sit comfortably with the Every Child Matters (ECM) agenda and would make sense in the context of the Children's Trust model of a holistic children's service. However, the track record of Children's services in giving attention to disabled children has not been good. Despite the inclusion of disabled children as children in need in the 1989 Children Act, priority has consistently been given to child protection. We would suggest that the time for this proposal does not yet seem ripe, although it may be raised again in the future.

4.50 **The Government to set up well-funded competition for design of attractive, easily fitted bathing and toilet adaptations, including modular designs.**

Competition is increasingly seen as the way to secure design innovations. An investment of this kind might lead to large-scale improvements and savings over the longer-term.

4.51 **A fixed upper limit for mandatory adaptations might be replaced with a system for cost benefit analysis.**

The advantage of setting up a system of this sort would be to make more explicit the advantages that follow investment in adaptations. A disadvantage would be that it introduces considerable complexity, and possibly discretion, into the process of assessment. Such a system would require considerable initial development work.

The place of loans

4.52 **Use of Houseproud and other loan arrangements to extend choice or help self-funders.**

In general, the funding of adaptations through loans, which was considered during the consultation, was not felt to be desirable or practicable. This was primarily because of the difficulty of repayment. Many applicants, especially older people (even when asset rich), are on low incomes. There is also a concern regarding the debt burdens placed on younger applicants. In certain limited circumstances, however, it does seem useful

that local authorities should offer applicants the choice of the option of an equity release scheme with guaranteed non-repossession, like Houseproud. This may be relevant either to those who want help in raising their contribution to DFG or to those who have equity in their property and are happy to self-fund if it enables them to get the adaptation more quickly or because they would not qualify for a grant. In evaluating the benefits, however, it should be remembered that the extra costs of valuation and of setting up the loan have to be added to the cost of each job, and that local authorities have to commit officer time and some funding to the overheads of the scheme.

- 4.53 The use of loans more widely as an additional option to grants is a strategy that increases the risk of excluding low income and vulnerable households. And any move to substitute loans for grants would be highly inappropriate. The starting point for thinking needs to be the recognition that adaptations are not analogous to home improvements in two important respects. First, they do not typically enhance the value of the property to any significant extent. Second, there is emerging evidence, albeit indicative at this stage, that people who are unwell – which would include many disabled people – are reluctant to take on new loan commitments. Consequently switching to offer loans instead of grants leads to a fall in take up among those most in need.⁹⁰ Any such loans would also need to address directly the problem that servicing a conventional loan of the size required for adaptations can present low income households with a significant, if not unsustainable, burden. One solution to this issue would be to focus on developing financial products similar to the loans available to the over-75s via Houseproud that are repaid through the realisation of the housing asset. However, offering such loans to younger households is not typically attractive to lenders because of the greater uncertainty over when the asset is likely to be realised and the loan repaid. Any policy move towards greater use of loans holds a significant risk of reducing rather than enhancing assistance to vulnerable households.

Conclusion on options

- 4.54 At this stage we would suggest that the following options are not viable in current circumstances:

- A *shared* duty to commission adaptations at a local level.
- A single service delivery agency in all areas and single pooled fund for all adaptations.
- Home Improvement Agencies as the sole delivery agencies for all tenures in all areas.
- The removal of all means testing for all grants.
- Using regional housing costs in the Test of Resources.
- Having no upper limit for DFG.
- Immediate extension of ring-fenced subsidy to council tenants.

⁹⁰ See Allen (2005a).

- Removing the ring-fenced allocation.
- Paying for adaptations through a charge on the property, as a large-scale alternative to DFG.
- Direct payments to the service user.
- Transferring children's adaptations to holistic children's service.

4.55 The following options seem worthy of serious consideration:

- Strategic inter-departmental adaptations groups at national, regional and local levels.
- Appropriate Key Performance indicators for Senior Managers.
- Transferring responsibility for stairlifts to Integrated Community Equipment Stores.
- A new system for funding housing association adaptations.
- Abolishing the means-test for children.
- Replacing the Test of Resources with The Fairer Charging For Care Services model, suitably modified to make a minimum allowance for housing costs.
- Disregarding earned income as part of the test of resources (but as this is part of the Fairer Charging model, both will not be necessary).
- Incorporating actual housing costs instead of notional costs (but again, this is part of the Fairer Charging model).
- Raising the maximum limit for DFG to £50,000.
- Exempting grants up to £4000 from the test of resources. If uncertainties over the level of additional demand that this may trigger are such that this is considered unacceptably risky then passporting those on means-tested benefits would be a first step.
- Increasing the savings disregard to £50,000 or £100,000.
- Extending provision to allow for children's needs and sufficient space.
- Extending provision to include adaptations necessary for families where one person has challenging behaviour.
- Extending flexibility of use of ring-fenced budget to allow its use for alternative solutions.
- Removing VAT from all adaptations.

4.56 Other options such as the national competition or the use of cost benefit analysis are not ruled out but will be for the Strategic group to pursue further.

CHAPTER 5

Conclusions and recommendations

- 5.1 For those who fall within the bounds of the system, and when it is allowed to work as it should, the DFG system achieves, consistently and reliably, a high probability of improved quality of life, opportunity and independence for individuals and families, with additional benefits to government policy of savings on health and social care. The research has confirmed the benefits that a one-off capital outlay can achieve in long-term and sustained value for money.
- 5.2 At present, however, many children, and adults of working age are excluded from help by the means test and the upper grant limit, and many older people are being filtered out of the system by the use of inappropriate priority systems such as Fair Access to Care Services (FACS) (see paragraphs 3.35 and 3.36). This is because funding is not adequate to meet legitimate needs and because of a lack of strategic thinking at national level that takes into account both the costs of not adapting and the gains to be made by increasing investment. Our conclusion is that changes are necessary that will enable help to be given to all those who have a legitimate need. This should be seen as an opportunity to locate DFG more clearly within the broader Government policy of investing in the life chances of disabled people.
- 5.3 As far as the systems for delivering the DFG at local levels are concerned, there is no evidence of a need for radical change, except in the arrangements for housing association tenants and the proposal to transfer the responsibility for stairlifts out of the DFG budget. There is much commitment and co-operation between professionals and agencies and if strategic planning were improved they would be well placed to make the kinds of changes that would improve delivery. At the moment, the major causes of delay and inadequate service are constraints on funding, the rules that have been put in place to manage the limited resources available, and the lack of capacity in the community OT service to handle the volume of assessment required.

Conclusions

TEST OF RESOURCES

- 5.4 The current Test of Resources is not satisfactory and not appropriate to the situation of disabled people. A more appropriate system would not represent a disincentive to work and would take more adequate account of households' actual housing costs. It would be better to adopt a model akin to that associated with the Fairer Charging for Care Services policy. This would, however, need to allow for more generous treatment of pensions and savings, which are also the product of earnings, than is the case with the Department of Health model.

- 5.5 There is widespread agreement amongst professionals and service users that there should be no means test for adaptations that are needed for children.
- 5.6 The costs of operating the system for relatively small grants far outweigh the revenues raised. Continuing with standard means testing for grants at lower levels represents an inefficient use of resources.
- 5.7 The option of putting a charge on properties in some circumstances as a way of preventing unreasonable personal gain or of recycling grant money has been very thoroughly considered. The conclusion is it is appropriate only in limited circumstances (where there is a clear increase in the value of a property through the building of an extension) for a limited time period (with power to waive), and with the alternative option that the applicant themselves recycle the money into a suitable new property.

OVERALL COHERENCE OF PROGRAMMES FOR ADAPTATIONS

- 5.8 The programmes for adaptations operated by the Office of the Deputy Prime Minister and the Department of Health do not cohere sufficiently. A mechanism is needed at the highest levels for considering housing adaptations as part of a health strategy and vireing resources accordingly to achieve best value for the public purse. Despite budgets hypothecated for preventative housing work⁹¹ funding is not reaching the organisations that need it on a scale commensurate with the supposed budget. Equally importantly, it is short-term and peripheral when it should be mainstream and committed.
- 5.9 The system of Integrated Community Equipment Services (ICES) funding adaptations in the private sector up to £1000 whilst DFGs fund more major work seems to be working, in that DFGs are not normally being used to fund work of this kind. In some areas ICES are already linked to major adaptation services and housing, but the ICES programme itself is constrained by the failure of most PCTs to contribute sufficient funding. If more work is to be transferred to ICES, there will need to be action to strengthen the Health input, so unreasonable demands are not made on social services budgets.
- 5.10 At the assessment level, the filtering systems of the FACS guidance are not in harmony with the statutory rights of disabled people to the ordinary facilities of home.
- 5.11 At local level, occupational therapists and housing staff involved in adaptations have often established good working relationships. The weaknesses are at national, regional or local authority management levels. ICES has had the impact of engaging the interest of Directors of Social services⁹², however, and the experience gained with this initiative would be a good platform on which to build more engagement with strategic DFG thinking.
- 5.12 The silo-based approach inherent in current policy is the greatest blockage to the development of an effective national adaptations service. The Prime Minister's Strategy

⁹¹ For example, the Department of Health Access & Systems Capacity Grant and the budgets hypothecated to Primary Care Trusts for Integrated Community Equipment Services.

⁹² A co-chair of the ADSS Disabilities committee has described how he has never been approached by government on DFG issues, but how ICES and Assistive Technology are changing this.

Unit notes that this can result in: ‘insufficient incentive to spend money from one budget in order to decrease expenditure from another ... and ... inefficient use of public resources’.⁹³

- 5.13 Coherence regarding Disabled Facilities Grants is necessary not only in those parts of the Department of Health responsible for social services but also in those responsible for health, because Disabled Facilities Grants have a role in preventing Health costs as well as social care costs.

THE MANDATORY DUTY UNDER DISABLED FACILITIES GRANT

- 5.14 The views of the overwhelming majority of those involved with the Disabled Facilities Grant system is that the mandatory duty placed upon local authorities is absolutely essential to ensure the rights of disabled people to suitable housing. Without it, it is felt that budgets will diminish, being squeezed out by those other local authority duties that continue to be mandatory or higher priorities, driven by Key Performance Indicators.
- 5.15 While there was broad support for a mandatory duty upon local authorities, the case was also made that this duty should be focused upon meeting need in an appropriate manner, rather than necessarily seeing the solution to problems being adaptations funded by a DFG. Some professionals would have liked to have the power to refuse what they deemed to be bad value adaptations, or the power to refuse a grant but offer a loan. There was also a larger group who would like to see the mandatory right expanded so that housing options other than, or in addition to, adaptation could be funded through Disabled Facilities Grant, when these were preferred by the applicant and offered a better solution. However, in the context of competing political and financial pressures locally, it would be important to ensure that any move to greater local flexibility and discretion was accompanied by measures to ensure that applicants’ rights were not adversely affected.

THE RING-FENCED ODPM BUDGET FOR DISABLED FACILITIES

- 5.16 The ring-fenced budget is seen by an overwhelming majority of stakeholders as essential to protect what ‘will never be a majority issue’.⁹⁴ It sends a positive signal from government about the importance and status of the Disabled Facilities Grant. Its existence encourages political support for continuation of the service when capital monies are allocated in a competing environment (see comments of the local authority cabinet member from our Pilot study).⁹⁵ It can also act as a baseline budget to which funding from other partner organisations can be attracted.

⁹³ PMSU (2005), pp73–74.

⁹⁴ Comment at a consultation workshop.

⁹⁵ “This local authority is committed to equal opportunities, but it faces very hard resource decisions. For example, it is possible that under the new formula for *Supporting People* we could lose 50% of our grant support. This is an example of something that would produce enormous pressures to re-allocate Disabled Facilities Grant monies if the funds were not ring-fenced. Looking more globally at spending within the council, because of our priorities we are this year (2004–5) spending 9% above Standard Spending Assessment on social services and 13% above Standard Spending Assessment on education. This means other areas of the council are under great pressure (eg under-spending on roads and libraries). So, whatever our good intentions, without the ring-fencing there would be great pressure.” (Case study interview with responsible local authority Cabinet member, 2004).

EQUITY BETWEEN OWNER OCCUPIERS AND TENANTS

- 5.17 The problems of tenure inequity are outlined in chapter three. It is necessary to move towards greater equity by addressing issues of subsidy for council tenants (although this is a very big step to take) and grasping the nettle of the funding of housing association adaptations. The problem of private tenants seems intractable.

OTHER ISSUES AFFECTING LOCAL ADMINISTRATION

- 5.18 A list of the additional problems that affect the administration of DFG at local level is given in chapter three. Many – like the position of Home Improvement Agencies, VAT, the upper grant limit or the lack of information – are rooted in the central questions of strategy and funding. Beyond these central questions, there exist issues that are of great practical significance for local administration including:

- The shortage of occupational therapists, which is only partly about money.
- The shortage of good builders.
- The need for key workers to help individuals and families.
- The need for additions to the mandatory provision.

- 5.19 Alongside all these issues is the core question of how adaptations are viewed. It is vital to change the way that they are viewed: service users should not feel that they are treated as welfare recipients, but as citizens who are entitled to services that will improve their life chances, and who have ultimate control over what is done to assist them to live in their homes.

IN SUMMARY

- 5.20 At present, the DFG system is working sub-optimally. There are some excellent foundations of commitment, good practice, co-operation and life-enhancing innovation to build upon, but for the system to achieve its potential then barriers relating to lack of strategy, the means-test, funding, and other problem areas need to be dealt with. The recommendations that follow are intended to tackle the problems that have been discovered.

Recommendations

STRATEGIC

1. New approach, New language

- 5.21 The adaptation service should be reconfigured and rethought, not as welfare provision, but as an opportunity for investment that will benefit simultaneously the individual and the State. This is to reflect the evidence that these one-off capital payments have long-term positive outcomes in improving the life chances of disabled people and reduce

the need for revenue spending by Health and social services. It is time for an approach based on genuinely holistic and joined up thinking.

2. Interdepartmental strategic group

- 5.22 A Strategic Working Group should be set up to plan the framework of the new service and agree targets, budgets and means of securing and managing change at local levels, including consideration of appropriate Housing Quality Indicator or Key Performance Indicator provisions. This group should examine mechanisms for giving greater control over the adaptations process to disabled people: this would challenge disabling attitudes and use resources to empower users rather than risk creating or perpetuating dependency. The group might also consider the possibility of promoting the technical innovation competition suggested in chapter three (perhaps in conjunction with the Engineering and Physical Sciences Research Council). Our recommendations 1, 3–6, and 14–21, discussed below, are all subjects that would require consideration by such a Strategic Group. We would envisage that there would be a range of issues to be dealt with in the shorter term related to the refocusing and restructuring of the system. We would not, however, envisage such a group as a time-limited entity because there would be a continuing need for a high-level presence to retain a strategic overview of both implementation and the evolving agenda.
- 5.23 One mechanism for establishing such a Strategic Group would be for the Government Departments represented on the current time-limited Review group, with the addition of a representative of the Department of Work and Pensions, to reconstitute the group as a Strategic Group with a longer-term remit. Alternatively, the remit of an existing body could be extended to take on the role of the Strategic Group in this field. The brief for establishing this group could, for example, be given to the Office for Disability Issues which is being set up through the leadership of the Minister for Disabled People to implement the Prime Minister's Strategy Unit 2005 report: 'Improving the Life Chances of Disabled People.'

3. Redesignation

- 5.24 Adaptations should be re-named in a way that will more easily secure investment: Environmental Technology (ET) or Environmental Adjustment Technology (EAT) are possibilities. Disabled Facilities Grants might be redesignated Disability Investment Grants (DIGs) or Disability Technology Grants. Even if primary legislation were needed to change the nomenclature it would be worth serious consideration because it could act as an important complement to attempts to change the way in which adaptations are viewed (as per para 5.21).

4. Increased investment planned

- 5.25 To reflect this new approach, the Strategic Group should consider how to augment the dedicated financial investment in adaptations currently awarded through the Office of the Deputy Prime Minister. It needs to reflect better the savings and gains that accrue from adaptations to services accountable to other Government Departments. Alongside increased investment consideration would have to be given to providing suitable mechanism to assist small housing authorities and associations with the occasional large adaptation that would otherwise overwhelm their budget. One approach might be a centrally-held supplementary budget, to which organisations apply for assistance with exceptional cases.

5. Investment by Department of Health

- 5.26 It is anomalous that the department whose budgets benefit directly from the investment in adaptations is not investing more resources: this perpetuates the marginalisation of what could be key preventative action. Representation from the Department of Health on the new Strategic Group should be at a level of authority that is able to consider and recommend investment in adaptations as a proper use of Department of Health resources.
- 5.27 As a first step, when plans are drawn up to implement the Invest to Save pilots suggested by Improving Life Chances of Disabled People (recommendation 4.8)⁹⁶, the specific potential of adaptations should be prioritised in at least some pilots. This would allow for quantification of the investment value, the outcome of which, if positive, should inform a phased investment of NHS resources in DFG and related adaptation budgets.
- 5.28 There are encouraging signs that this new approach is already being embraced, albeit on a relatively modest scale. The announcement from the Department of Health of an initiative, Partnerships for Older People Projects (POPP), aimed at: 'Reducing the need for admission to hospitals in the first instance through services which enhance the independence, health and well-being of older people living at home'⁹⁷ embodies the sort of investment understanding that is required. It is likely that there will be bids from Home Improvement Agencies in connection with this initiative. This initiative is welcome, but it represents only an initial step in the right direction. Key questions remain regarding the scale of the funding involved relative to need, whether the funding will be sustained, and whether it will be accompanied by the collection of robust evidence to demonstrate the benefits and savings elsewhere.

6. Impact to be monitored

- 5.29 Research should be commissioned or systems set up in selected areas to monitor the impact of investment, both that undertaken through the initiatives discussed under 5 above and more broadly.

7. Local strategic and service responsibility

- 5.30 There are many issues raised in the earlier chapters of this report upon which we have not made specific recommendations. This is because we believe that to attempt to prescribe national solutions is of limited value: local solutions are likely to be more effective. Developing local strategies and structures through which to meet need more effectively will require a thorough knowledge of local institutions and processes: it should be the province and outcome of strategic groupings at local level.
- 5.31 Accountability for producing a strategy for this newly configured service at local levels should be broadened to take in, at a minimum, social services, housing, education, National Health Service bodies and Regional Housing Boards. Responsibility for Environmental Technology will sit within broader responsibilities to include the whole sphere of housing and disabled people. This should encompass the links between the design of new-build and refurbished housing, environmental technology, equipment and assistive technology, home care and respite provision, the education and well being of disabled children, preventative strategies, domiciliary Primary Care Trust services and hospital discharge.

⁹⁶ PMSU (2005).

⁹⁷ Professor Ian Philp, National Director for Older People's Health, quoted in Department of Health press release, March 3rd 2005 www.icesdoh.org

5.32 The local strategic group should have a duty to plan how it will publicise: rights to environmental technology, services available, access to service arrangements, eligibility criteria, and the service standards to be monitored and reported upon.

5.33 The local strategic group as a whole, and each service provider within the group, should publish its arrangements for involving service users or organisations of disabled people in policy development and service implementation monitoring.

RECOMMENDATIONS IN RESPECT OF THE DFG

8. Status of disabled facilities grants

5.34 The mandatory Disabled Facilities Grant should be retained.

9. Ring-fenced Disabled Facilities Grant budget

5.35 Ring-fenced budget should be retained, but with some increased flexibility about its use, as listed below.

10. Extension of use of ring fenced subsidy

5.36 We recommend the following changes, which may require primary legislation:

- (i) If a grant limit is retained, rules on subsidy to be adjusted so that local authorities may claim subsidy for grants above the upper limit where they decide that these are necessary.
- (ii) Subsidy to be applicable to relocation grants given in connection with adaptation needs.
- (iii) If not covered by (ii) subsidy also to be usable in connection with commissioning of adaptations/extensions in new-build properties.

11. Grant limit

5.37 Our recommendation is that a grant limit should be retained, but that it should be raised to £50,000. This would not require primary legislation.

5.38 While removing the grant limit entirely would not add significantly to the costs of raising it to £50,000, it is clear from our research that officers feel that a grant limit has advantages. In particular, it provides a mechanism for engaging participation by other providers and provides a spur to consider whether substantial adaptation is the best option for addressing the needs of a particular household. However, the current grant limit is inadequate. Increasing the limit to £50,000 would, given cost levels reported in our national survey, cover all but the most complex or extensive adaptations, including a full-sized extension in most areas. In contrast, more modest increases in the grant limit – to £30,000 for example – would leave most major adaptations, including bedroom extensions over the grant limit. Indeed while raising the grant limit is undoubtedly necessary, raising it to £30,000 would achieve relatively little.

5.39 The aim should be to set an upper grant limit that is sufficient to encompass the types of extensive adaptations that, though not common, are regularly required. This being the case, we suggest that it is necessary to consider a mechanism – such as index-linking – by which the grant limit is reviewed and revised to keep pace with the costs of building.

- 5.40 Our modelling work, based on local authority data, provided an indicative estimate of the cost of increasing the grant limit to £50,000 of £12.9 million per annum (a 7.4% increase in total DFG spending).
- 5.41 This is an estimate of the additional calls on the DFG of this policy change. However, set against this should be the diverse savings that would follow from the change. These include the costs incurred through making applications to charities, additional officer time associated with more meetings and complex negotiations, and through delay resulting in increased building costs. There are also costs incurred for extra home care and residential care as a consequence of unsuitable accommodation (see chapter three).

12. Means testing

- 5.42 From the range of options that were considered in chapter four, we recommend four specific options for further consideration. The four options considered here comprise two that relates to the way in which the test of resources is conducted and two that relate to the scope of the test of resources. Primary legislation is not needed to change the detail of the test of resources.
- 5.43 In respect of modifying the test of resources, on the basis of our discussions with various stakeholders the two principal alterations to the mechanics of the test of resources that were most favourably received were disregarding earned income and taking account of actual housing costs, rather than using a national or regional allowance, when assessing disposable income. It would be possible to revise the test of resources in a manner that takes account of these two alterations. We would suggest, however, that it would be more appropriate to investigate the possibility of basing the DFG test of resources on the Fairer Charging for Care Services (FCCS) means test because this already incorporates these two characteristics. Careful scrutiny, and modification where necessary, will be required to ensure that any new system modelled on FCCS is appropriate at a detailed level for adaptations and that a change does not significantly disadvantage particular types of household. We recommend that a prescribed minimum allowance for housing costs (set initially at the current level of housing allowances and appropriately updated) is included, and that this is applied in cases where actual housing costs are lower than the minimum allowance.
- 5.44 The second change to the test of resources is to increase the capital limit to £50,000. This change will affect a relatively small number of households. It is in line with other Government policies of not penalising those on moderate means because they have saved and it would represent a recognition that savings now have to last for a substantial period of retirement and cannot easily be replenished through additional earned income.
- 5.45 In respect of the scope of the test of resources, our work with stakeholders indicates strong support for ending means-testing for all adaptations for children. In such cases the test of resources creates not only anxiety for households but also disincentives to work and a burden of debt. It results in administrative resources being absorbed in funding-raising to meet the costs and in dealing with legal disputes. If one views adaptations from an investment perspective, then this strengthens the case for this proposal. We would also argue that there are strong practical grounds for either exempting all adaptations costing below £4,000 from the test of resources or exempting certain types of household that need an adaptation on this scale. Applying the test of resources in these cases both represents poor value for money and the subsequent

delays impact upon the quality of life of applicants, many of whom are older people. If moving directly to exempting all such cases is considered too risky, given the present uncertainty about unmet need, it may be better to move in the first instance to passporting only those households on means-tested benefits for adaptations below £4,000 and seeking to improve the understanding of unmet need, with a view to exempting all cases below £4,000 if possible.

5.46 We would therefore recommend the following options, listed in order of importance, be considered further:

Option	Estimated Cost (£mill; % of current DFG budget)	Summary comments
End means testing for adaptations for children.	11.6 (6.7%)	There was an overwhelming view in favour of this change.
A new means test based on a modified version of Fairer Charging for Care Services.		The FCCS means test embodies characteristics favoured by those we consulted. But it would need modification before being suitable for DFG. The specific modification considered relates to the treatment of housing costs.
Exempt all grants up to £4,000.	23.1 (13.3%)	This is a pragmatic response to the costs and delays attached to testing resources in these cases.
Raise capital disregard £50k.	7.4 (4.3%)	To reduce the penalty on those who had accumulated personal savings and recognize the level of savings needed when retirement may last three decades.

5.47 Recommendations 11 and 12 set out several changes to the current DFG system, each of which has costs – in some instance significant costs – attached to them. It is important to recognise, however, that it is not necessarily appropriate simply to add the estimated impact of each option together to arrive at a total impact. There is overlap between options or their components. The main example of this is that the households likely to be affected by not means-testing adaptations for children would similarly be affected by removing earned income from the means test.

13. A charge on the property

5.48 For owner occupiers and private landlords only, and in the case of extensions only, local authorities giving grants should have the power to put a charge on the property for up to 80% of the cost of work, to be re-paid in the event of resale within 5 years, the rate of repayment reducing each year. The money would be returned to the ring-fenced adaptations budget. Local authorities should be empowered to waive this repayment in appropriate circumstances, including instances when the family can demonstrate they are using it to re-invest in an alternative suitable home.

14. Insurance payments

5.49 In cases where households are awarded insurance settlements or public money (perhaps through the NHS redress scheme or court payments) that include an

allowance for the cost of adaptations already carried out and this is paid after DFG has already been given, the DFG budget should be reimbursed accordingly.

15. Scope of mandatory provisions

5.50 A variety of possible extensions to the scope of mandatory DFG were discussed during the research. While some of them were not considered viable, either in principle or practically in the current context, a number offered potential to make significant impacts upon the quality of life of disabled people and their carers. We recommend that the following changes to the scope of DFG, arranged in order of priority, be implemented:

- Provisions to ensure that the needs of disabled and other children in the household for play, development, education, social contact, privacy and the promotion of health are met.
- Provision for extra space to allow for the preservation and promotion of family life by providing sufficient room for circulation, storage of equipment and supplies related to the disabled person's needs, undisturbed sleep, privacy and reduction of stress for all family members.
- Clear right of access to the garden or outdoor space.
- Adaptations to facilitate someone to work from home (whether the disabled person or a carer).

5.51 Guidance exists regarding the scope of DFG. However, we identified a need to be more explicit about the extent that some groups of people are eligible for work under DFG. Further, if clarification of the current situation indicates that assistance in meeting the needs of these groups does not typically fall within the compass of DFG then we would argue that there is a strong case for considering its further extension. The groups concerned are:

- people with challenging behaviour.
- parents who are separated, or other situations where there are two people sharing the care of a disabled child long-term.
- foster parents.
- families with more than one disabled person in the home.

16. Redesignation of stairlifts

5.52 Stairlifts should be redesignated as equipment, so that they may be loaned and recycled. This should speed up provision and reduce waste. Responsibility for their supply and servicing should be transferred to the Integrated Community Equipment Stores, after planning for the necessary level of funding and time taken to build capacity. (This is the successful model for providing services in Northern Ireland, but it was built up carefully and steadily, and there are important differences in health and social services structures and financial arrangements.)

17. VAT

- 5.53 We recommend that VAT be abolished on all works of adaptation, including the fees of Home Improvement Agencies. This would remove the complex and confusing current situation on what is VAT exempt and what is not. The modelling suggests this would result in a modest increase of grant available. There would be additional benefits in terms of saved labour costs.

18. Funding for agencies

- 5.54 The inter-departmental Strategic Group should plan a change in arrangements for the core funding of agencies involved in the delivery of Disabled Facilities Grants, to provide them with better long-term security and reduce the waste caused by the constant search for sources of funding.

ADAPTATIONS IN SOCIAL HOUSING**19. Adaptations in housing association stock**

- 5.55 Addressing the question of how best to fund adaptations in the housing association stock is urgent. The current system creates the hardship to tenants, tenure restructuring is progressively increasing the significance of the issue, and it is an issue with a significant impact on DFG budgets. However, the status of housing associations as formally independent bodies means that developing policy in this area is complex. One relatively modest change would be to clarify that housing associations should use their own resources to fund minor adaptations that are not funded by social services.⁹⁸ This would go some way to addressing the hardship currently experienced by tenants. It would, however, require primary legislation.
- 5.56 However, the issue of major adaptations is more difficult than this. We therefore recommend that it be part of the remit of the Strategic Group to produce proposals for the funding of adaptations for housing association tenants. The proposals in chapter three should represent a good basis from which to start discussion.
- 5.57 We suggest that because of the urgent nature of this issue it needs to be treated with priority. A date for completing the task of identifying solutions be set. June 2006 would be a plausible target, recognising both the pressing nature of the issue and the complex nature of the task.

20. Adaptations in local authority housing stock

- 5.58 The Interdepartmental Strategic group to consider ways in which local authority landlords may receive a level of subsidy from general taxation that is related to the number of adaptations carried out.

ASSESSMENT FOR DFG**21. Reaffirming the status of DFG**

- 5.59 The inter-departmental Strategic Group should clarify with Directors of Social Services the mandatory nature of Disabled Facilities grant and the need to avoid the inappropriate use of FACS criteria to restrict assessment for this grant. A response

⁹⁸ The items defined in the forthcoming (2005) guide, produced by COT with the Housing Corporation, on minor adaptations for housing associations without OT assessment may be a suitable basis for determining responsibility.

showing that the communication has been received and spelling out any changes that will be made as a result should be requested.

CONCLUSION TO RECOMMENDATIONS

- 5.60 In this chapter we have set out a substantial list of recommendations. While DFG works well for many, there are, in our view, a range of ways in which the effectiveness of policy and practice in this field could be enhanced. The need for greater co-ordination and for a new perspective on adaptations – founded on notions of investment and independence – is very much in line with government thinking: this should underpin work in this field much more firmly than is currently the case.
- 5.61 Many of our recommendations, particularly those relating to reform of the test of resources, carry cost implications. We have generally reported our options for modifying the test of resources independently, but it is clear that adopting all the recommendations would increase the budgetary implications further. These costs are not, however, simply cumulative – for example, the households are likely to be affected by not means-testing adaptations for children would also be affected by removing earned income from the means test.
- 5.62 Recommendations such as removing the means test for adaptations for children are broadly supported, would not carry with them substantial costs, and would make a major impact upon the quality of life of the households affected. We would therefore argue that there is a very strong case for proceeding on this front as soon as possible. We would, however, also argue that unless the grant limit is raised to £50,000 at the same time the benefit of exempting adaptations for children from means testing will, in some of the most pressing cases, not be realised.
- 5.63 Yet, we recognise that at present there is a degree of uncertainty over the cost implications of other changes and in aggregate they may be considered unacceptable. One of the problems faced when working in this field is the lack of robust information about unmet need. All estimates of quite how significant the budgetary implications of change would be are open to debate. Hence, any reform or extension of the system carries some risk. We would suggest that if the budgetary risks of bringing in the package of reforms that we recommend is considered too great then there is a case for exploring a phased approach to implementation. Alternatively, it would be possible to conduct further more detailed research in local pilot areas in order to construct a clearer picture of unmet need, and hence the likely consequences of extending the scope of DFG, before taking a decision on nationwide implementation. These are issues for a new Strategic Group – one of our key recommendations – to consider.

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ANNEX A

List of those consulted

	Format
A. 1st Stage Consultation: general	
College of Occupational Therapists Specialist Section in Housing (COTSSIH) Survey	Questionnaire
Motor Neurone Disease Association	Meeting
Northern Adaptations Group (northern professionals)	Meeting
Independent Home Improvement Agencies	Meeting
Local Government Association	Meeting
South-west professionals (Exeter)	Meeting
South-west professionals (Bristol)	Meeting
Children's Charities	Meeting
Members of East Sussex Disability Association	Telephone interviews
Nottingham professionals	Written submission
Contact Consulting (Specialist consultants on adaptations)	Telephone interview
Disability Rights Commission	Telephone interview
Audit Commission	Telephone interview
Association of Directors of Social Services	Telephone interview
Child-health professionals, Bristol	Meeting
B. Consultation on particular topics	
National representative re Houseproud	Telephone interview
National representative re Integrating Community Equipment Services (ICES)	Telephone interview
Officer from Ability Housing re Disability Housing Register	Telephone interview
Officer from Solihull re modular buildings	Telephone interview
Representative from City of Sunderland Council.	Telephone interview
Expert on practice in Wales	Telephone interview
C. 2nd Stage workshops/interviews	
Midlands professionals	Meeting
London professionals	Meeting
East Anglian professionals	Meeting

continued

	Format
Housing-association based Home Improvement Agencies	Meeting
East Anglian service users	Meeting
Northern parents	Meeting
Cheltenham: older people	Meeting
Parents of children with learning disabilities	Telephone interviews
D. Housing association interviews	
Officer from a Housing Corporation Regional body	Telephone interview
Housing Association 1	Meeting
Housing Association 2	Telephone interview
Housing association 3	Telephone interview

ANNEX B

List of submissions received

A. Submissions to Review Group	
Office of the Deputy Prime Minister	Paper
Foundations	Paper
COT Paper 1	Paper
COT Paper 2	Paper
DfES	Paper
Children's Charities	Paper
Homes Fit For Children	Paper
B. Other submissions from groups	
Muscular Dystrophy Group	Written Case study evidence
Cambridgeshire County Council to Yvette Cooper	Letter re allocation of grant
Kent County Council	Letter and visit
Spinal Injuries (Helen Scullard)	e-mail
List of supplies for disabled child from Northern Parents Group	Submitted at Workshop
Local Government Association of meeting to discuss options	Written report of outcomes
C. Individual submissions	
Stephanie Brann	letter

ANNEX C

Methodology

- C1 At the start of the review process, the team compiled a list of potential key informants to be contacted during the consultation process, including those suggested by the Review Group. The team endeavoured to consult with as many of these as possible, and also encouraged participants to suggest further relevant contacts.
- C2 The research comprised the following main components:
- 1 A review of published evidence and grey literature. This began with publications on adaptations but gradually expanded to take in such issues as health and social care costs, the costs of disability, child protection and the development of human rights and anti-discrimination.
 - 2 Telephone interviews with experts on particular topics, closely relevant to the review. These are recorded in Annex A. In each case, the notes were corrected and approved by the person giving the interview.
 - 3 Workshops and interviews to discover stakeholder views on the existing system and their ideas for change
 - 4 This was a purposive sample of both professionals and service users, designed to capture key information across as wide a geographical spread and socio-demographic spread as was possible, given the time constraints of the review.
- C3 For professionals, the kinds of groups and geographical locations needed were agreed, and we then used existing contacts and their professional networks to send out open invitations to relevant stakeholder groups.
- C4 For the service users, we were aiming for a spread of ages and geographical areas. It became clear that in some case a group meeting was not possible, so individual telephone interviews were used instead.
- C5 At this stage, the views of key players and stakeholders were sought utilising the questions in Annex G, adapted to suit the particular key knowledge and experiences of individuals and organisations consulted. In all case, the topics to be discussed were sent in advance.
- C6 During workshops comments were recorded via flipcharts and a written-up copy of these were returned to participants for necessary amendments and approval.
- C7 A list of participants' names and contact details were recorded for consultations with professionals and notes of numbers and gender of participants was recorded for interviews.

- C8 For telephone and face-to-face interviews, notes were taken and accounts written-up and returned to participants for amendment and approval.
- C9 The information derived from these workshops and interviews, together with additional submissions (Annex B), was used to develop the possible options for change presented for discussion during the second stage of the consultation (see below). A list of those consulted is presented in Annex A.
- C10 Ethical and data protection issues were discussed and agreed with participants at both first and second stage consultations.
- C11 A questionnaire was distributed at the College of Occupational Therapist Specialist Section in Housing conference in Durham in September 2004. Members were encouraged to distribute further copies to colleagues who could not attend for submission via pre-paid reply envelopes, they were also encouraged to contact the review team with further comments via email.
- C12 In more detail, the method for the main study comprised the following:
- An in depth study of one authority, as a pilot and to highlight complexities (Annex E).
 - A national survey of local authorities to establish factual information on policies and spending (Annex F). (A full description of the methodology and sample selection for this study can be found in Annex F, Chapter 2).
 - Second stage workshops and interviews to discover stakeholder views on possible proposed financial and other options.
 - Sampling. Once again this was a purposive sample aimed at capturing the views of key informants, and following instructions from the Review Group, included a majority of service user groups. For the professional groups, we deliberately set out to cover geographical areas not covered in the first round of consultation, so that in the study as a whole we have a fair geographical coverage of England, to allow for the great variations in housing markets and rural, urban and demographic factors. Attendees were recruited through professional network contacts (general invitations sent out by e-mail) and snowballing. This was the only approach possible in so tight a schedule. The bias is likely to be towards those very keenly interested in the issues rather than towards any particular opinions. A balance between housing officers and occupational therapists was maintained. Numbers were restricted to allow proper debate and discussion. With the service users, we aimed at a spread of experience as well as geographical area. Besides older people, parents and a mixed group including working age adults, we specifically wanted to include issues of learning disability. When a meeting proved impossible, this group were covered through seven individual telephone interviews.
- C13 Options for change developed from the first stage of the view were presented for discussion with professionals and service users. The proposals were designed to be detailed enough to provoke thoughts about feasibility but broad enough to allow more general discussion of core issues. As it was not logistically possible to discuss all options with every group or individual, the proposals closest to the person or group's areas of expertise were selected.

- C14 Some of these options were discarded or amended during the consultation process, following suggestions by participants. Comments were recorded in note form and copies of these were sent to participants for approval and amendment where necessary. The information derived from these workshops and interviews was analysed and used to inform and develop the proposals for change.
- C15 A final element of the research method was the modelling of a range of the financial options, to discover the financial implications. A full description of the methodology employed for the modelling of these options is presented in Annex H.

ANNEX D

Rights, equalities and social inclusion

D1 Specific legislation addressing issues of anti-discrimination in Britain focused on gender and race in the 1960s and 1970s. Restrictive immigration controls were mirrored by race relations legislation in the 1960s. Negotiations on entry into the European Economic Community included a requirement on the part of the UK to address gender discrimination in the labour market, resulting in its Equal Pay Act 1970. Other forms of discrimination were covered by the Sex Discrimination Act 1975, which also brought into being the Equal Opportunities Commission (EOC). This was followed shortly afterwards by the Race Relations Act 1976, a response to the inadequacies of the 1960s race relations acts. This legislation introduced the Commission for Racial Equality (CRE). Both the Equal Opportunities Commission and the Council for Racial Equality have investigated direct and indirect discrimination and have advocated positive policies in the last 30 years, but have made only small inroads into structural inequalities. Pay differentials between women and men remain and issues of immigration, asylum seekers, refugees and the fear of terrorism have had a major impact on the effective implementation of the law on racial discrimination. How has this recent history affected the development of anti-discrimination policies in respect of disabled people?

‘Any British legislation protecting disabled people against discrimination will inevitably be modelled on existing sex and race legislation ...there are scattered glimpses of a rights-based approach in British legislation since 1970.’

(Gooding, 1994:108,129)

D2 The Chronically Sick and Disabled Persons Act 1970 did recognise some of the structural discrimination against disabled people, but was a relatively weak piece of legislation. Its sponsor – it was a private member’s Bill – was Alf Morris, who became the first Minister for Disabled People in 1974. Despite this political recognition, the Act made relatively little impact. In the 1980s and early 1990s, campaigning bodies, activist academics and private Members’ Bills argued for the introduction of broad anti-discrimination legislation and the creation of a regulatory body, but it was not until the mass media began to support the campaign for legislation that the government responded with the Disability Discrimination Act (DDA) 1995.

D3 This legislation was structured to be introduced in a piecemeal way between 1996 and 2004. It aimed at ending discrimination in employment, access to goods and services, buying or renting land or property, as well as abolishing the quota scheme for employing registered disabled people. It also required educational bodies to provide information to disabled people and their families on recruitment, access and fair treatment but not to improve their policies, gave the government powers to set minimum standards for public transport and set up an advisory body called the National Disability Council (NDC), which was not empowered to handle individual complaints. The definition of disability proved controversial. It was defined as *“a physical or mental impairment which has a substantial and long term adverse*

effect on a person's ability to carry out normal day to day activities". The meaning of these terms in this definition was elaborated in the Act, but the charge was laid that it was based on a flawed and over-individualistic concept of disability rather than on the social model of disability. One commentator described the Disability Discrimination Act as "*riddled with vague, slippery and elusive exceptions, making it so full of holes that it is more like a colander than a binding code*" and the National Disability Council as a "*pathetically powerless quango*" (Lord Lester, Hansard, 22 May 1995, col 813). The National Disability Council budget was £250,000 a year compared with £7 million for the Equal Opportunities Commission. The broad conclusion was that the Disability Discrimination Act was like a partial anti-apartheid act, which contained such fundamental flaws that it was counterproductive in the eyes of disabled peoples' organisations. The Rights Now! Campaign vowed to continue to struggle for a law, which would give full equality to disabled people. Civil rights legislation was needed.

D4 The Labour government, elected in May 1997, announced that it would both implement and review the Disability Discrimination Act and replace the National Disability Council by a Disability Rights Commission (DRC). The first report in 1998 of the Disability Rights Task Force, set up in December 1997 and chaired by the then Minister for Disabled People, Margaret Hodge, recommended the creation of the Disability Rights Commission. It was brought into being by the Disability Rights Commission Act 1999 and started its work in 2000 with a budget of about £10 million. Two-thirds of its Commissioners are disabled people. In January 2003, the government announced its intention to publish a draft disability bill that would reflect its election manifesto commitment to introduce comprehensive and enforceable civil rights legislation for disabled people, following the recommendations of the final report in December 1999 of its Disability Rights Task force, *From Exclusion to Inclusion* (DRTF, 1999). The government response was published in March 2001, *Towards Inclusion – Civil Rights for Disabled People* (Department for Education and Skills, 2001). This commitment led to a draft Disability Discrimination Bill being published on 3 December 2003 (Department for Work and Pensions, 2003). A Joint Committee of the Houses of Parliament was appointed in January 2004 to scrutinise the draft bill and reported in May 2004 with 75 recommendations, many of which the government found acceptable (House of Commons, House of Lords, 2004; Department for Work and Pensions, 2004a).

D5 One of the Joint Committee's more trenchant comments was that the provisions of the draft Bill were framed as amendments to the 1995 Act, a practice followed by the Committee itself. This meant that despite the Committee's view that the focus of anti-discrimination legislation should be based on the social model of disability, they found they had to work within the framework of the medical model of the 1995 Act. They recommended that the Disability Rights Commission should consult on how the law might in future be changed to provide protection against discrimination regardless of level or type of impairment (p.8). The government response was neutral:

The DRC has a statutory duty to monitor and review the operation of the Disability Discrimination Act ... Part of that duty is to consider how the law might be amended or improved. We look forward to working closely with the DRC to ensure legislation is effective in delivering comprehensive rights for disabled people.

(Department for Work and Pensions, 2004a, 10).

- D6 The revised bill was published in the House of Lords on 26 November 2004 and included:
- A new duty on public authorities to promote equality of opportunity for disabled people.
 - Extension of the Disability Discrimination Act to cover almost all activities of the public sector.
 - Bringing within the scope of the Disability Discrimination Act more people diagnosed with progressive conditions such as HIV, multiple sclerosis and cancer.
 - An end to the exemption of the use of transport vehicles from the Disability Discrimination Act duties on service providers.
 - Setting an end date for all trains to comply with the accessibility regulations.
 - Ensuring that disabled people renting property are entitled to have reasonable adjustments by landlords to their policies, practices and procedures and to be provided with auxiliary aids or services.
 - Bringing larger private members' clubs (25 or more members) within the scope of the Disability Discrimination Act.
 - Giving rights to disabled local councillors not to be discriminated against by their local authority.
 - Providing a formal questionnaire procedure whereby disabled people can raise questions with service providers who have, they believe, discriminated against them.
- D7 The draft implementation timetable suggested that a number of these measures could be brought in towards the end of 2005 with the rest following by December 2006. Meanwhile, consultations were held on the detail of the bill, particularly covering the duty of public bodies to promote equality for disabled people (Department for Work and Pensions, 2004b) and on private clubs, premises, the definition of disability and the formal questionnaire procedure (Department for Work and Pensions, 2004c). Beyond the formal consultation process, the Disability Rights Commission welcomed the new bill, but was concerned that it did not include any measures to make landlords agree to undertake adaptations to accommodation, thereby condemning thousands of people to continue living in unsuitable dwellings.
- D8 The issue of adaptations to accommodation was however, a feature of the strategic proposals published by the Prime Minister's Strategy Unit on 19 January 2005 to transform the life chances of disabled people (Prime Minister's Strategy Unit, 2005). The project had been announced on 3 December 2003, the date of publication of the Draft Disability Discrimination Bill. The aim of this strategy is that by 2025, disabled people in Britain should have full opportunities and choices to improve their quality of life and should be respected and included as equal members of society. Measures are proposed in four areas: (i) improving support and incentives for getting and staying in employment, including improving Access to Work and other in-work support; (ii) improving support for families with young disabled children by ensuring they benefit

from childcare and early education provided to all children; (iii) facilitating a smooth transition into adulthood by more effective planning and removing barriers to securing appropriate support; (iv) helping disabled people to achieve independent living – the centrepiece of the strategy – by moving in stages towards personalised budgets for disabled people, giving them choice between spending the cash themselves (or with assistance) or the direct provision of services. The disabled facilities grant system would be included in these practical measures to enhance independent living. Following piloting over the next three years the individualised budget scheme is envisaged to roll out nationally by 2012.

- D10 This new strategy is to be taken forward by a new Office for Disability Issues, responsible to the Minister for Disabled People. In effect, this strategy embraces the social model of disability, albeit with usual Whitehall caution by referring also to the net benefits to the economy of such an approach and value for money arguments that disabled people in work add to tax revenues and reduce incapacity benefit payments.
- D11 Whilst the report was welcomed insofar as it was part of a “*drive to put control in disabled people’s own hands*” (Bert Massie, Chair, Disability Rights Commission, quoted in Wintour, 2005), reactions did include concern about the 20 year timescale; worries about effective implementation at the local level; the absence of reference to additional resources; lack of clarity about personalised budgets in relation to disabled children and young people, despite the idea of an overlap between children’s and adult services for teenagers; and the link between this strategy and the Green Paper on adult social care (Department of Health, 2005) and the recently announced independent Wanless review of funding for older people’s services.
- D12 One of the responsibilities of the Office for Disability Issues is to ensure that government work on disability fits in with the wider equalities agenda. What is UK government policy on human rights and its implications for disabled people?
- D13 The European Convention on the Protection of Human Rights and Fundamental Freedoms drew upon the 1948 Universal Declaration of Human Rights, but focused specifically on civil and political rights. It was drawn up in the years following the 1939–1945 war by governments, which were members of the Council of Europe (founded in 1949), including the UK. It was formally agreed in 1951 and came into force in 1953. Three institutions were established in Strasbourg to enforce Convention rights: the Committee of Ministers of the Council of Europe, the European Commission on Human Rights and the European Court of Human Rights. Individuals were entitled to take cases against their government initially to the Commission and then to the Court. This was made possible for UK citizens in 1966.
- D14 After many years of debate and agitation, the UK Human Rights Act was passed in 1998. Its broad purpose is to incorporate the rights in the European Convention into domestic law so that they can be enforced directly in the UK. In England, the Act came into force in October 2000. Which of the rights and freedoms in the Convention are protected by the United Kingdom Human Rights Act? Section 1 of the Act includes the right to life, the prohibition of torture, the right to liberty, the right to a fair trial, the right to private and family life, the right to freedom of expression, the right of freedom of assembly, the right of freedom of movement, the right to marry and have a family, the right to education, the right to possessions, the right to free elections, the right not to be subject to the death penalty and, far from least for disabled people, the prohibition of discrimination (Article 14).

- D15 There should be scope for disabled people to use Article 14 in respect of many of the Convention rights specified in the 1998 Act. This article is not a freestanding right to equality but has to be used together with a substantive right in order to make the claim that in respect of that right a public authority has acted in a discriminatory way. The Act was used by seven patients detained under the Mental Health Act 1983 to mount a successful appeal against repeated delays in hearings before the mental health review tribunal (Livesey, 2002 quoted in Means et al, 2003, 164). Despite this outcome, the use of the Human Rights Act was not very successful in the early years of the 21st century, and Means et al hint at “*limitations of a rights-based approach in pursuing the interests of disabled people*” and point out that “*enacting rights through the courts does not solve the problem of how to allocate scarce resources equitably*” (pp 166, 167).
- D16 Apart from Section 1 of the 1998 Act, other sections require legislation to be interpreted in a way compatible with Convention rights, make it illegal for a public authority to act in a way incompatible with a Convention right, require proceedings to be brought within a certain timeframe and require a written statement in one of the Houses of Parliament that proposed legislation is compatible with Convention rights. In bringing in this legislation, the UK government stated that it wanted to go further than require compliance with the European Convention. It wanted to develop a “*human rights culture*” in public authorities and among the public at large.
- D17 A later development that could be construed as taking the ‘human rights culture’ further was an initial statement by the government in December 2001 that it could see arguments in the longer term in favour of a single statutory commission (Cabinet Office, 2001). In May 2002 it announced a major review of equality, restating the idea of a single equality commission, and in October 2002 published a further consultation document on what such a body could look like and how it should address key priorities (Office of the Deputy Prime Minister, 2002). Specific plans to bring together the work of the existing commission were announced in October 2003. This proposed Commission for Equality and Human Rights (CEHR) would bring together the Commission for Racial Equality, the Equal Opportunities Commission and the relatively recently created Disability Rights Commission and would take responsibility for new laws prohibiting discrimination in the workplace on grounds of age, faith/belief/religion and sexual orientation (reflecting the then Article 13 of the Treaty of Amsterdam). The Commission for Equality and Human Rights would support the promotion of human rights as well as having ‘equalities’ responsibilities, and would give advice and support to individuals, businesses and public bodies on both equalities and human rights issues.
- D18 Initial reactions to these developments between late 2001 and late 2003 ranged from a cautious welcome to the idea of a Human Rights Commission to reservations about losing focus on specific issues, such as those central to the interests of the Disability Rights Commission and to more trenchant commentaries that what was really needed was new and powerful equalities legislation, a Single Equality Act. Formal proposals for this new Commission for Equality and Human Rights were published in May 2004 (Department for Trade and Industry et al, 2004). In general the DRC welcomed much that was in the White Paper including the recognition of the distinctive nature of disability rights. It noted the guaranteed place on the Board of the Commission for a disabled person; the establishment of a Disability Committee with executive powers on disability-specific issues and a Committee membership structure whereby at least 50 per cent of Committee members have to be disabled people; and the commitment to

the principle of ‘no regression’ on the powers and functions of the existing Commissions.

- D19 However, it did also have some critical concerns, including the need to move towards single equality legislation; clarification of the role of the disabled Commissioner and the remit of the Disability Committee; the need to achieve an effective balance between promotion and enforcement; the need for adequate resources to undertake the work of Commission for Equality and Human Rights as a whole and to underpin disability-related work; the need to reassure existing staff of the three Commissions about their future.
- D20 Consultation on the White Paper closed on 6 August 2004 and in the ensuing months there has been sustained lobbying and negotiating, including outright attacks on the proposed single Commission (Chouhan, 2004). The key issue was whether the existing Commission would retain some independence of action, concern about which led the Commission for Racial Equality (and the Disability Rights Commission) to contemplate rejection of the idea of the Commission for Equality and Human Rights, despite the government’s position that it did not intend to weaken existing equality powers. In February 2005, the government announced a review into barriers to greater equality by a group of experts, chaired by Trevor Phillips, Chair of the Commission for Racial Equality. Its remit is to look at how best to tackle discrimination on grounds of race, sex, disability, sexual orientation and age by understanding the long term and underlying issues of disadvantage. This initiative was in response to criticisms that the proposed Commission for Equality and Human Rights was “putting the cart before the horse” because what it should do had not been thought through. It would inherit a “nightmarish legal haze”. Putting Trevor Phillips in charge was seen as one way of placating opposition to the idea of the Commission for Equality and Human Rights, and the plan for the new body was that it should come into existence in 2007, with the Commission for Racial Equality joining two years later in 2009 (Dodd, 2005). Legislation to bring about a Commission for Equality and Human Rights was published on 3 March 2005 (House of Commons, 2005). Although it is not expected to become law before the anticipated announcement of a general election to be held during 2005, it does confirm the commitment of the government to bring such a body into being.

CHILDREN’S RIGHTS IN THE INTERNATIONAL CONTEXT

- D21 Children have internationally agreed rights too. Box D1 shows some of the relevant articles of the United Nations Convention on the Rights of the Child, to which the United Kingdom is a signatory. This applies to siblings as well as to the disabled child.
- D22 These are all reinforcements of the principles underpinning Improving Life Chances for Disabled People and this review.

Box D1 The United Nations Convention on the Rights of the Child 1989

'The child, for the full and harmonious development of his or her personality, should grow up in a family environment, in an atmosphere of happiness, love and understanding' (UNCRC, 1989, preamble).

'A mentally or physically disabled child should enjoy a full and decent life, in conditions which ensure dignity, promote self-reliance, and facilitate the child's active participation in the community.' (Article 23 (1))

Assistance ... 'shall be designed to ensure that the disabled child has effective access to and receives education, training, health care services, rehabilitation services, preparation for employment and recreation opportunities in a manner conducive to the child's achieving the fullest possible social integration and individual development, including his or her cultural and spiritual development'. (Article 23 (3))

'A child who is capable of forming his or her own views' has 'the right to express those views freely in all matters affecting the child, the views of the child being given due weight in accordance with the age and maturity of the child.' (Article 12)

ANNEX E

Bristol pilot case study: Executive summary

- E1 This case study has been undertaken in order to present one detailed study that looks at the context in which adaptations policies are set in the real world, at the longitudinal factors which are not captured by snapshot statistics and at the evidence of what is being delivered to whom: the good aspects, the not so good and the reasons for both. This executive summary has been prepared by Frances Heywood, University of Bristol, from the full case study which is the work of Martin Hodges, Bristol City Council. Bristol City Council is not responsible for any errors that may appear in this summary.

BACKGROUND: BRISTOL'S ECONOMY, HOUSING MARKET AND POPULATION

- E2 Bristol (population 400,000) is the second strongest economy outside London (Gross Domestic Product (GDP) per head) but at the same time is the 67th most deprived authority out of 354 in England. The ratio of average house price (£145,000) to average income is in excess of 7 to 1. In 2002, 60% of working households in the City could no longer afford to buy the cheapest homes.
- E3 There are 17,000 people on the common waiting list for council and housing association tenancies. The council's own stock has gone from 49,000 in 1979 to 30,000 in 2004, and it reduces by another 500 each year. The majority of the stock is now flats. These figures have implications for re-housing options.
- E4 There is ethnic diversity, but not on the scale of some of Britain's other major cities. In household composition, Bristol is in most respects close to national averages.

POLITICAL ARRANGEMENTS

- E5 Bristol City Council is a unitary authority. No party has an overall majority. There is all-party agreement that all Right to Buy receipts are used exclusively for housing. Adaptations are chiefly within the sphere of the Cabinet Member for Neighbourhood and Housing Services.

ADAPTATIONS IN BRISTOL: THE INTERACTION OF POLICY, PROBLEMS AND BUDGETS

- E6 From the introduction of the Disabled Facilities Grant in 1990, following the Local Government and Housing Act 1989, demand for adaptations grew steadily in Bristol, and so did waiting lists. When, in 1996, Bristol regained its unitary status, councillors from housing and social services were determined to address the problem. In 1997, a review by consultants made recommendations for change. Systems for fast-tracking minor adaptations in council and private sector stock were introduced; 'Spend to Save'

budgets were twice used to reduce waiting lists; a quarterly Occupational Therapy/Housing liaison meeting was established, and some joint training carried out. With occupational therapists and housing officers in the same authority, the opportunities for good liaison and co-operation were maximised. The agreement by Social Services and Neighbourhood and Housing Services to share costs of essential adaptations over the maximum grant limit is an example.

- E7 From 1997 to 2001, the benefits of this commitment showed in a steady reduction in waiting times.
- E8 From 2002, however, there was, for a combination of reasons, a serious shortage of occupational therapists. The low spot was reached in September 2003, with a vacancy rate of 70% equivalent. In these circumstances, the flow of referrals to housing slowed down and in 2003 – 2004 Neighbourhood and Housing Services had an under-spend of £200,000 of their mandatory budget of £1.25 million, despite the many people in the city needing adaptations. It was also despite the fact that the budget for items outside the subsidised budget – chiefly top-up funding for mandatory work, but also to support move-on options – was more than 200% committed, but of course the money could not be vired.
- E9 The City was already acting to address the Occupational Therapy shortage. The measures meant that existing posts were filled and 12 new ones created (also now filled). The problem now is that, because of the under-spend in 2003–04, the capital allocation to the City may be reduced just as the number of referrals is likely to increase. In this case, Bristol is likely quite swiftly to move to the position of many other authorities where the problem is one of inadequate capital to meet assessed needs. For service users, long delays will continue unless the capital budget is adequate to match assessed needs.
- E10 Between July and October 2004, meetings were held between housing and social services officers and reports made to the Social Services and Health Scrutiny commission, with presentations from the Primary Care Trusts on Integrated Community Equipment Services and from Bristol Care and Repair, as well as from both service departments. Endorsement from the Executives of the two departments is now being sought for recommendations that are seen as the way towards an agreed vision for the future. These include: a proposed centralised team for the private sector (and eventually, it is hoped, all sectors); a matching officer to operate an adapted property database; refining the private sector move-on service and introduction of a hospital discharge service for council tenants by combining the skills of Care and Repair and the local Contract Services.
- E11 The rest of this executive summary presents the supporting information and data.

POLICY OBJECTIVES AND CONSEQUENT IMPLEMENTATION, RELEVANT TO ADAPTATIONS

- E12 Bristol City Council has chosen 'inclusion' as one of its key priorities. It has found in tenants' surveys that housing adaptations are among the highest priorities. In a strict budget round in March 2004, it therefore included provision for 12 extra occupational therapy posts, necessary in order to remove the delay⁹⁹ currently being suffered. It also chooses to find the 40% to maximise Disabled Facilities Grant subsidy, although sources

for doing this are reducing. Strategically, it is promoting the building of Lifetime homes in new-build housing development. It is also working closely with Health bodies including Primary Care Trusts to provide information and translation services on a range of topics including Disabled Facilities Grant. This is because there is a wide range of ethnic minority groups and asylum seekers who need information and advice. There has long been support for, and close working with, Bristol Care and Repair and other voluntary bodies.

ADAPTATION SERVICES: SERVICE DELIVERY STRUCTURES

- E13 The City’s private sector adaptation budget is shared between and delegated to six decentralised teams. For public sector adaptations, budgets are determined by 12 decentralised teams, in line with investment plans agreed with tenants. A central team co-ordinates policy for adaptations across all tenures (although involvement with Registered Social Landlords is only partial), and retains a budget for top-ups, urgent work and discretionary work. There is now a proposal to replace these arrangements with a single adaptations team for the private sector in spring 2005 as a first step towards becoming a single, cross-tenure service scoped to facilitate closer working with voluntary sector partners and Primary Care Trusts.
- E14 The Community Occupational Therapists in Bristol are part of the Social Services and Health ‘Independent Living Service’. The children’s Occupational Therapist team is centralised, the adults’ Occupational Therapists are in 3 area offices, there is a separate sensory impairment team and there are Occupational Therapists seconded respectively to Care and Repair, Care Direct, and Neighbourhood and Housing Services.

INTEGRATED COMMUNITY EQUIPMENT SERVICES

- E15 Bristol has consolidated its integrated store as required and officers are interested in building on this in the future. As at 2004 the respective contributions of health and social services to the pooled budget are as shown:

	£
Social services	800,000
Health (Primary Care Trusts)	180,000
Health (Access and Systems grant)	70,000

BUDGETS AND SPENDING LEVELS

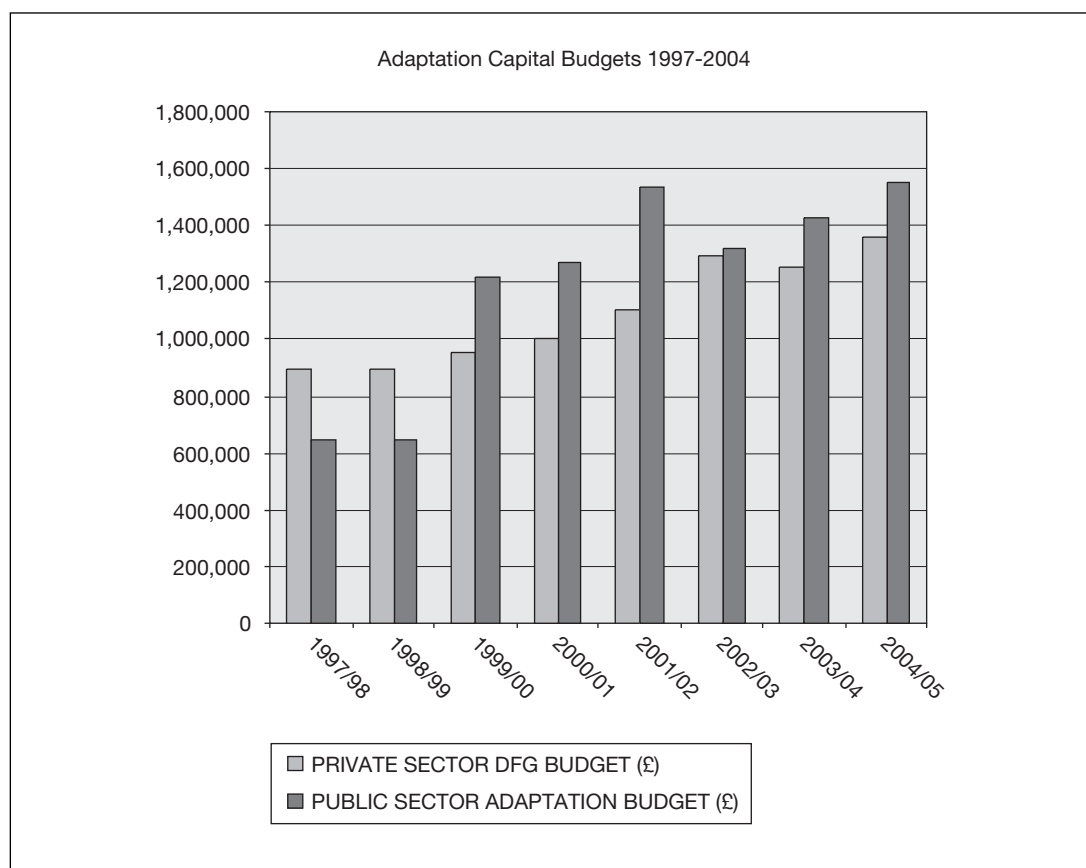
- E16 The table shows expenditure in the private (including housing association Disabled Facilities Grants) and council sectors.

⁹⁹ Delay in giving adaptations has also partly been caused by a shortage of approved contractors-leading to unspent budget. One problem here is that other sorts of building work, including work with is being driven by other current policy agendas for investment in sectors such as education and health, may divert the builders.

- E17 Unsubsidised spending from the Housing Revenue Account (the only source of funding for council housing adaptations) has since 1999 been greater than expenditure on private sector adaptations, but is not felt to be adequate to meet needs. This reflects the great concentration of disability and need in council housing.

NUMBERS OF DISABLED FACILITIES GRANTS

- E18 In 2003–4, 155 Disabled Facilities Grants were approved in Bristol (owner occupied, Registered Social Landlords and Private rented sector).



AVERAGE COSTS OF DISABLED FACILITIES GRANTS, ADULTS AND CHILDREN

- E19 The average costs of Disabled Facilities Grants are as shown. The drop in the average for children's cases in 2003–4 is not recording a real drop in costs, but reflects the removal of discretionary Disabled Facilities Grants. The FLARE system does not include the unsubsidised amounts that the Council is putting in.

Costs above £25,000

- E20 Bristol has made a policy of funding work over £25,000 up to £50,000, with Social Services match-funding whatever discretionary payment is made by Housing.

Average Value of Grant Approvals (£s)

Year	Average for all Approvals in Year	Average Approvals for Children’s Cases	Average Contribution in Children’s Cases
2001/02	6,506	16,984 (5 cases)	653
2002/03	6,522	27,403 (5 cases)	7,002
2003/04	6,412	19,679 (7 cases)	1,395

E21 The average cost of a Disabled Facilities Grant supported bathroom-bedroom adaptation extension scheme, such as many children and seriously disabled adults require was £40–£45,000 in 2003–4.

Values by work-type

E22 The table for 2002/3 is given here in preference to the most recent one which, for the reasons given, does not show the true costs but only the costs up to the mandatory grant limit. The table provides a useful indicator of profile of items needed and their relative costs.

Approvals by Work-Type (2002/03)

Work-Type	No. of Cases Involving Work-Type	Total Value of Work-Type in Approvals (£)	Average Value of Work-Type (£)
Extension	11	279,158	25,378
Throughlift	6	94,917	15,820
Stairlift	77	369,625	4,800
Washing Facilities	101	590,630	5,848
Miscellaneous (anything else)	24	255,650	10,652

WAITING TIMES

Wait for Occupational Therapy assessment

E23 From September 2000 to May 2004, the waiting list for Occupational Therapy assessment rose from 636 to 1,695. 97 of these were children’s cases. The longest waits for assessment were 2 years for children and 3 years for adults. These figures are for the most serious cases that require full Occupational Therapy assessment. Although the issue of Occupational Therapy shortage has now been addressed, Bristol still has the longest assessment waiting list of its comparator authorities. The local authority Cabinet member interviewed for the study gave examples of the serious consequences and waste resulting from these long delays.

Wait for allocation of officer and resources in housing

E24 Because of the limited flow of new cases, waiting times for housing resources went from 147 to 0 days between March 03 and June 04 in the private sector. The average time after Occupational Therapy referral through the stages of application and approval to final payment has remained at about 290 days consistently for three years.

- E25 In the public sector, there has been a steady reduction of people waiting for the allocation of adaptation budget after assessment from 1,329 in 1997 to 250 in June 2004.

TENURE AND ETHNICITY OF GRANT RECIPIENTS

- E26 In 2003–4, there were 137 Disabled Facilities Grants given in the owner occupied sector in Bristol: average value £6,485. There were 18 Disabled Facilities Grants in the private rented sector and Registered Social Landlord sector combined (FLARE does not distinguish): average value £4,465. Although we know the budget for the council sector, we do not have numbers and average costs.
- E27 We do not know how many major adaptations for Registered Social Landlord (RSL) tenants were funded by the housing associations, with or without housing corporation support.
- E28 On ethnicity, 89% of Disabled Facilities Grants went to people classified as ‘white UK’, 3% to ‘white Irish’, 6% to African/Caribbean/Black UK/Black Other, and 2% to Asian/Bangladeshi/Indian/Pakistani. This tallies closely with the ethnic distribution of Bristol’s population.

REASONS FOR GRANT CANCELLATIONS

- E29 The figures given here relate only to people who have at least reached the stage of applying. It does not include those who drop out before application, perhaps after a preliminary test of resources. It will be noted that nearly half the sample do not give a reason, that a quarter withdraw because their contribution is too high and that one in eight (at least) die whilst waiting.

Reason	Number	% of Sample
Budget not available	2	1
Property Unsuitable	3	1
Refused a Nil Grant	5	2
Council Property	7	3
Alternative Funding (from Social Services)	16	6
Not Responding to Letters	18	7
Enquirer Deceased	33	12
Contribution too High	65	24
Not Proceeding	119	44
TOTAL:	268	100

* the system allows for only one reason to be given, but City knows there are often several.

IMPACT OF FAIR ACCESS TO CARE SERVICES ON ADAPTATIONS

- E30 When Fair access to Care Services policy was introduced, Bristol elected to provide only for substantial and critical needs. Because this was applied to requests for adaptations, (something the City is now questioning) it further reduced the number of referrals being received from Social Services by Neighbourhood and Housing Services. In the public sector, money for adaptations was used to meet other targets. In the private sector, it has added to the problem of under-spend when there is need.

ANNEX F

National survey

ANNEX F

Chapter 1

Aims and objectives

F1.1 The aims of the national study were:

- To provide a current national picture in relation to the Disabled Facilities Grant. Information would be sought on budgets, demand levels, waiting times, grants given, building costs, withdrawal rates and policies on top-up (social services) and the use of discretionary grant (housing).
- Information would also be sought on the impact of recent policies, including the Regulatory Reform Order, Moving Grants and the use of loans, Fair Access to Care, Working Family Tax Credits and Large Scale Voluntary Transfer of local authority housing stock.
- To discover the opinion of informed local authority officers on the key questions of the review relating to mandatory Disabled Facilities Grant, means testing, the upper grant limit, the ring-fenced budget and grants for moving.

ANNEX F

Chapter 2

Design

- F2.1 A stratified, random sample of local housing authorities and their corresponding social services was used and an email questionnaire survey undertaken to obtain both quantitative and qualitative information from the selected housing and social services.

SELECTION OF THE SAMPLE

- F2.2 Initially an up-to-date list of all housing local authorities in England was obtained from the Office of the Deputy Prime Minister and the local authorities numbered from 1–354.
- F2.3 The housing local authorities were then classified using the Office for National Statistics (ONS) classification tables¹⁰⁰ (Office for National Statistics classification of local and health authorities of Great Britain: revised for authorities in 1999). Based on a range of socio-economic and demographic data taken from the 1991 Census Small Area Statistics for England and Wales, these tables place local authorities into a hierarchy of mutually exclusive groupings of similar local authorities. There are three tiers of classification, 'Families', 'Groups' and 'Clusters' which result from a stepwise clustering technique known as Ward's method. The statistical analysis resulted in 7 'Families' (Rural areas; Urban fringe; Coast and Services; Prosperous England; Mining, manufacturing and industry; Education Centres and Outer London and Inner London). Each 'Family' is then further broken down into 15 different 'Groups'. For example, Rural 'Families' include 'Rural amenity' and 'Remoter rural' Groups and the Urban Fringe 'Family' includes 'Established manufacturing fringe', 'New and developing areas' and 'Mixed urban' Groups. Further de-aggregation results in 21 Clusters.
- F2.4 Local housing authorities were initially stratified using the Family and Group classifications.
- F2.5 Tables which provide the percentage of the Great British population in mid-1998 within each of the Families, Groups and Clusters were used to determine the number of local authorities required within each Family and Group to achieve a 10% sample of 40 local authorities.¹⁰¹ A decision was made to over-select proportionately to allow for local authorities that were subsequently unwilling or unable to take part in the research. Using random number tables,¹⁰² 59 local housing authorities were selected using the stratified groupings.

¹⁰⁰ Office for National Statistics classification of local and health authorities of Great Britain: revised for authorities in 1999, Table 3.3, pp 23–30.

¹⁰¹ Office for National Statistics classification of local and health authorities of Great Britain: revised for authorities in 1999 Table 3.4, p 31.

¹⁰² Abridged from RA Fisher and F Yates (1974) *Statistical Tables for Biological, Agricultural and Medical Research* (6th Edition) Longman Group UK Ltd.

PROCEDURE

- F2.6 Letters from the Office of the Deputy Prime Minister were sent via email to the Chief Executive Officers of the selected housing authorities by the research team. Three different letters were drafted: the first was sent to the Chief Executive Officers of 29 Unitary authorities (Appendix A), the second to the Chief Executive Officers of 30 Non-Unitary authorities (Appendix B) and the third to the Chief Executive Officers of the 19 County councils that supplied the social services function to the non-unitary housing authorities (Appendix C).
- F2.7 The letters requested that the Chief Executive Officer appoint a liaison officer to coordinate the completion of the study questionnaire within their authority and inform the research team of the contact details of the coordinating officer. It was not expected that any one person would be able to answer all the questions and, for this reason, it was necessary to appoint one person to ensure that all questions were completed by the relevant personnel.
- F2.8 The research team then sent a letter (Appendix D) from the University of Bristol by email to the identified coordinating officers, along with a study questionnaire and a research agreement form (Appendix G).
- F2.9 Reminders were sent to the Chief Executive Officers one week later if the research team had not been notified of a coordinating officer.

DATA COLLECTION

- F2.10 Data obtained from the National Study Questionnaires included both quantitative and qualitative information about resources, overall timescales and waiting times for a Disabled Facilities Grant with information at each stage of the process, Occupational Therapy assessments, adaptations for children, working age adults and council tenants, the efficient use of adapted housing, social services funding of adaptations, adaptations in housing association stock, housing and building costs, housing stock and availability of suitable housing for potential house moves, estimates of funding needs, anticipated impacts of removing the ring-fenced subsidy for the Disabled Facilities Grant budget, cultural and family pattern issues, insurance and maintenance costs, home improvement agencies, facilitating discharges from hospital and funding from the National Health Service.

ANALYSIS

- F2.11 The data was entered into an SPSS data file (Statistical Package for the Social Sciences) and analysis of the quantitative data was undertaken.
- F2.12 Qualitative comments and expanded answers to questions were extracted from the questionnaires and used to further clarify and understand current practices within the housing authorities and social services taking part in the study.

ANNEX F

Chapter 3

Results

QUESTIONNAIRES SENT OUT

- F3.1 Forty-five of the 59 selected housing authorities (76%) expressed an interest in taking part in the study and the study questionnaire was therefore sent out to these 45 authorities and their corresponding County Councils where appropriate.

QUESTIONNAIRES RETURNED

- F3.2 Completed questionnaires were received relating to 37 housing authorities (82% of those sent out and 63% of the initial sample of 59 authorities). The response rate from the housing authorities and their County Councils was extremely impressive given that the required information was complex and the timescale for the completion and return of questionnaires was very short. The profile of the original selected sample of 59 local housing authorities comprised a proportion of each of the seven main Office for National Statistics (ONS) classifications. Analysis of the research sample (those that returned completed questionnaires) showed that the research sample did not differ significantly from the original sample and was therefore representative of the housing authorities in England (see Table F1).
- F3.3 Furthermore, unitary and non-unitary authorities were almost equally represented, with 22 unitary authorities (48%) and 24 non-unitary authorities (52%) and were similar in proportion to the original sample of 29 unitary authorities (49%) and 30 non-unitary authorities (51%).

Classification	Original selected sample		Research sample	
	Number	Percent	Number	Percent
Coast and Services	8	13.6	5	13.5
Education centre and outer London	6	10.2	4	10.8
Inner London	4	6.8	3	8.1
Mining, manufacturing and industrial	15	25.4	9	24.3
Prosperous England	8	13.6	6	16.2
Rural	7	11.9	4	10.8
Urban fringe	11	18.6	6	16.2
Total	59	100%	37	100%

ANNEX F

Chapter 4

Costs of frequent adaptations

- F4.1 Authorities were asked about estimated costs during 2003/4 of supplying and fitting commonly used adaptations. These estimates included professional fees but not local authority officer costs or on costs.
- F4.2 Straight stair lifts were estimated to cost between £1,500 and £3,000 with a mean of £1,965, whilst the most usual cost was £1,982. There was more variation in the fitting of a downstairs toilet and this ranged from £947 to £12,500 with a mean of £4,068 and median of £3,000. Level access showers again produced a range of estimates, from £2,401 to £7,000 (mean = £4,143 and median £4,000). The supply and fitting of through-floor lifts ranged from £4,500 to £12,000 with a mean of £8,965 and median of £9,000, whilst a single-storey, double bedroom extension with tracking hoists, en-suite shower and toilet varied between £20,000 and £50,000 (mean £31,855, median £30,000) (Table F2).

Item	Range of estimated costs	Average cost Mean	Most usual cost Median
Straight stairlift	£1,500 – £ 3,000	£1,965	£1,982
Downstairs WC	£947 – £12,500	£4,068	£3,000
Level access shower	£2,401 – £7,000	£4,143	£4,000
Through-floor lift	£4,500 – £12,000	£8,965	£9,000
Single-storey, double bedroom extension with tracking hoists, en-suite shower and toilet	£20,000 – £50,000	£31,855	£30,000

- F4.3 Apart from the single-storey extension, the actual figures for each adaptation type or a re-classification of costs into low and high costs¹⁰³ did not demonstrate any significant difference in costs in the different types of area (determined by the local authority classification).
- F4.4 The costs of single-storey extensions however did show a significant difference between areas (Chi Square $p < .05$) and the cost of an extension in 'urban fringe' areas was significantly lower than in both 'Prosperous England' and 'Education and outer London' areas. In other authority areas, low and high cost extensions were evenly distributed.

¹⁰³ Using the median figure to split the categories i.e. 'low cost' were costs below the median and 'high cost' included costs above the median for each item.

ANNEX F

Chapter 5

Resources

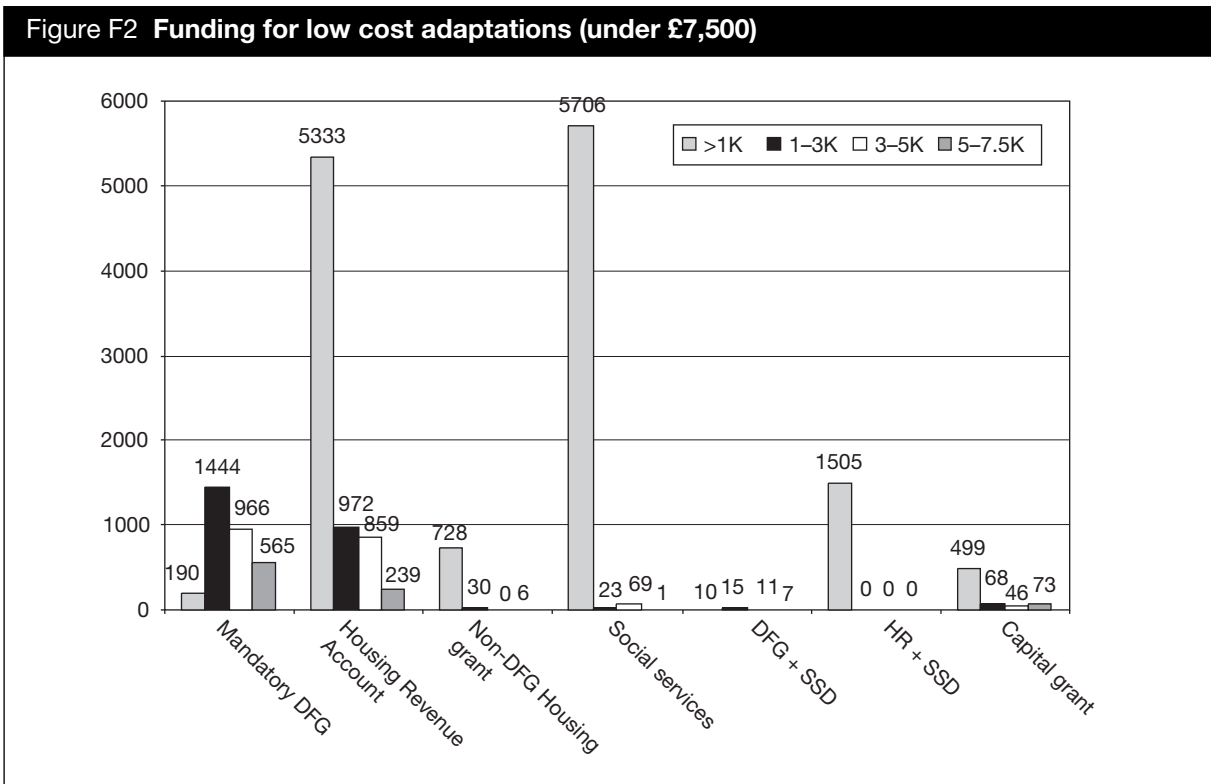
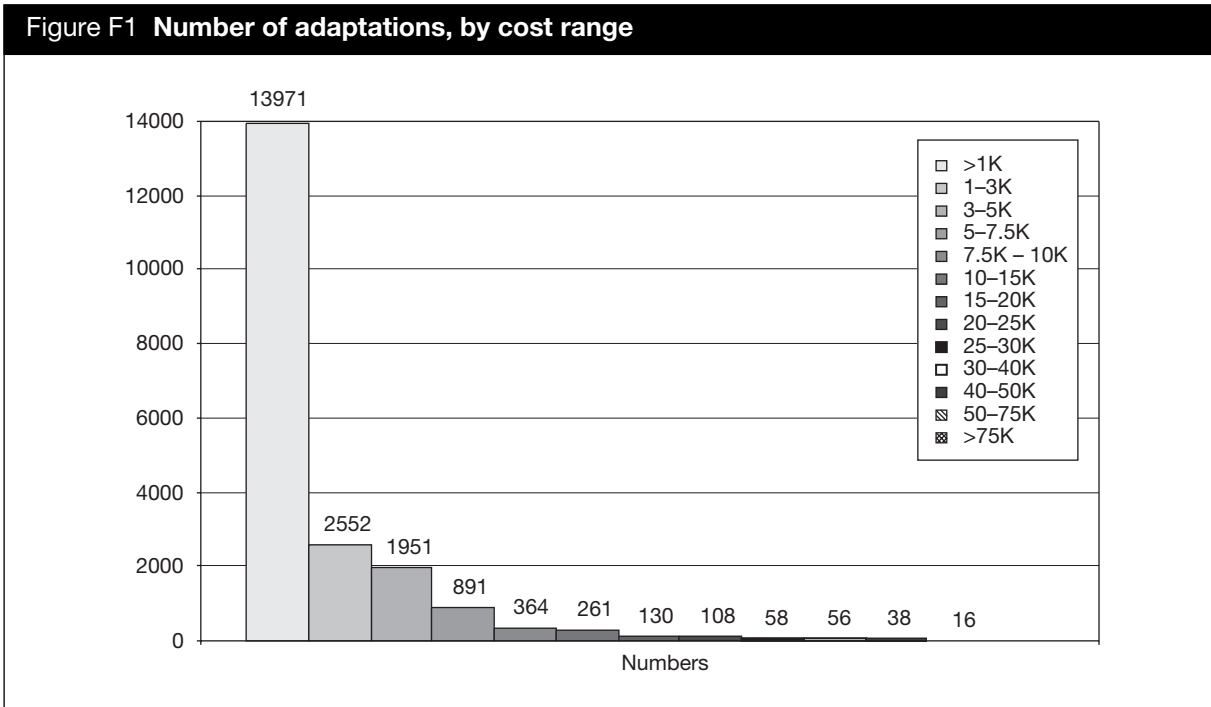
- F5.1 The aim of this part of the questionnaire was firstly to identify the level of capital funding being used for Disabled Facilities Grants and housing adaptations and spending trends from 2000 to 2004. Secondly, we wanted to identify sources of funding and average costs and numbers of adaptations.
- F5.2 Government subsidy for adaptations in over half the authorities (52%) amounted to 60% of the total budget spent on adaptations in 2003/4, with housing authority budgets contributing 40%. There were a few anomalies but most of these were minor: for example, a government allocation of 55% and local authority allocation of 45% or vice versa.

SOURCES OF FUNDING AND NUMBERS OF ADAPTATIONS, 2003/04

- F5.3 The total number of completed adaptations provided by the 37 research authorities during 2003/4 was 20,398, of which 3,944 (19.3%) were wholly funded by the Disabled Facilities Grant and 80 (0.39%) were jointly funded by the Disabled Facilities Grant and social services.
- F5.4 The great majority (95%: 19,365) of these completed adaptations cost less than £7,500, with only two adaptations costing over £75,000 (see Figure F1), whilst 68.5% (13,971) cost less than £1,000.

FUNDING FOR LOW COST ADAPTATIONS

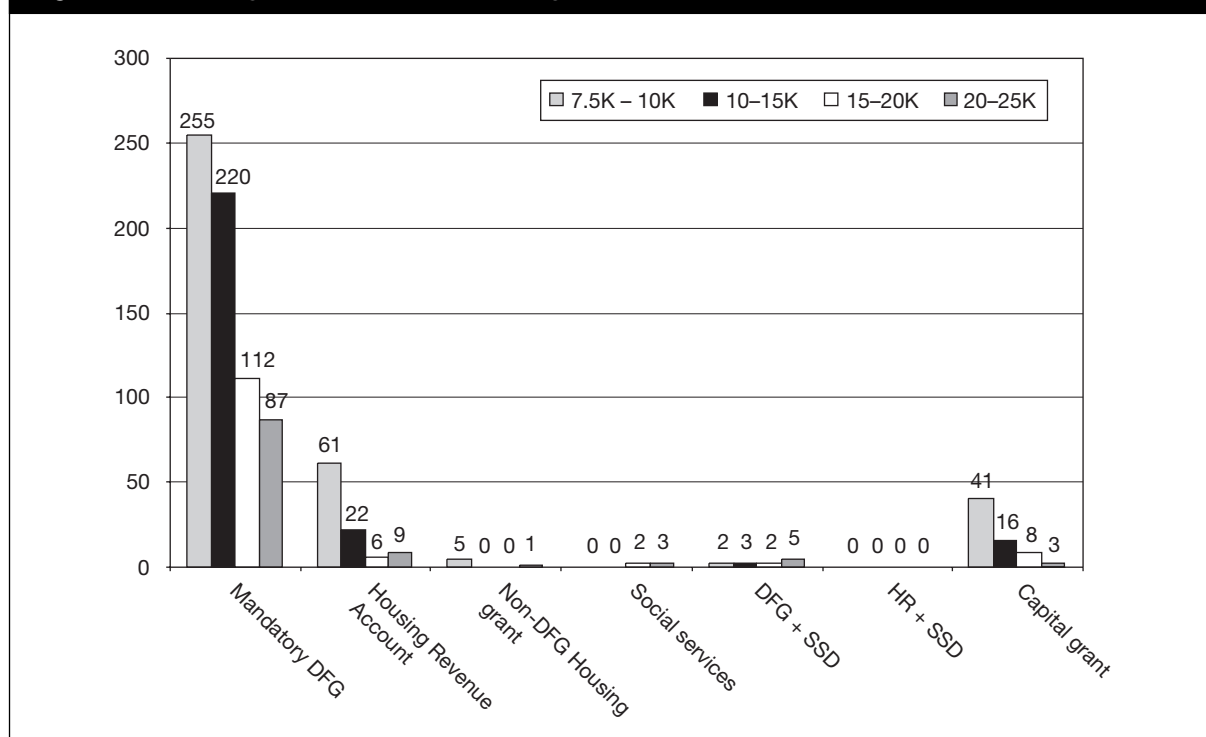
- F5.5 Adaptations costing less than £1,000 were most often funded from the Social Services budget (40.84%) or the Housing revenue account (38.17%). Very little funding from the Disabled Facilities Grant (1.35%) was used for these minor works.
- F5.6 Disabled Facilities Grant and Housing Revenue Account monies were most often used to fund adaptations costing between £1,001 and £7,500 (see Figure F2).



FUNDING SOURCES FOR ADAPTATIONS COSTING BETWEEN £7,500 AND £25,000

F5.7 There were 863 (4.23%) of completed adaptations that cost between £7,500 and £25,000. The Disabled Facilities Grant funded most (78%; 674) of these works, whilst the Housing Revenue Account funded 98 (14.5%) (see Figure F3).

Figure F3 Funding for adaptations costing between £7,500 and £25,000



GRANTS OVER THE MAXIMUM LIMIT

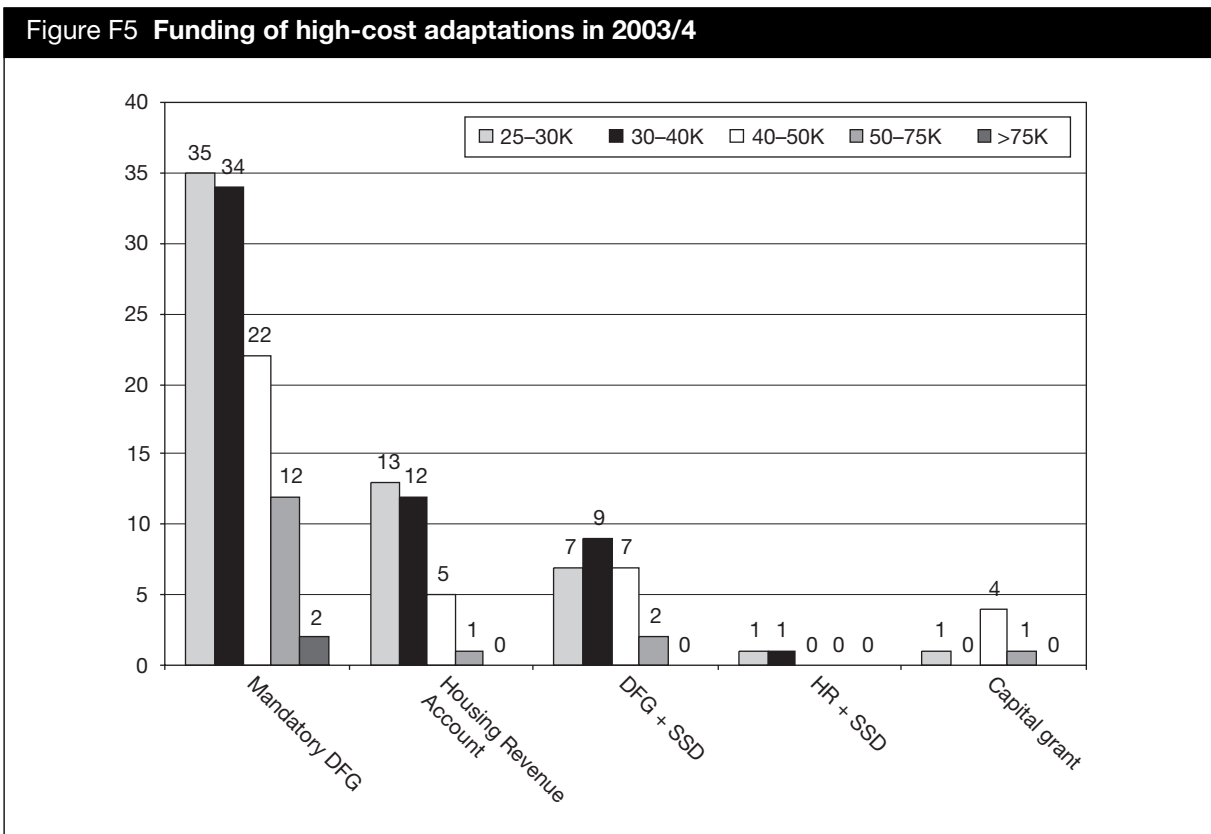
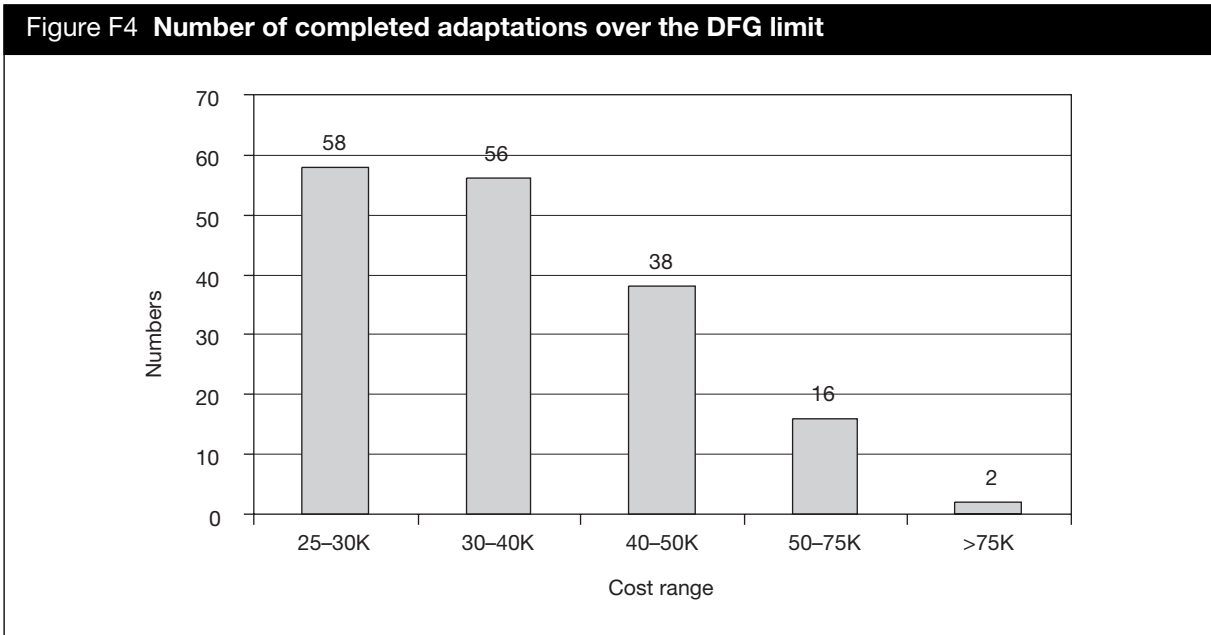
F5.8 The information supplied by authorities for 2003/4 indicated that less than 1% (0.83%: 170) of the completed adaptations exceeded the maximum limit of the Disabled Facilities Grant of £25,000. However, this proportion does not necessarily reflect need because some authorities do not fund adaptations over the maximum grant limit and information about children's adaptations suggests that a high proportion of parents withdraw from the process because they are unable to afford the contributions.

F5.9 Nevertheless, the costs of these completed high-cost adaptations ranged from £25,001 to over £75,000: 58 cost between £25,000 and £30,000; 56 between £30,000 and £40,000; 38 between £40,000 and £50,000; 16 between £50,000 and £75,000, whilst two cost more than £75,000 (see Figure F4).

FUNDING SOURCES OF HIGH COST ADAPTATIONS

F5.10 When funding exceeded the £25,000 threshold, the costs were met from various funding streams. The majority (62%, 105) were funded by the mandatory Disabled Facilities grant (presumably up to the maximum of £25,000): 31% from the Housing revenue account, 15% jointly by Disabled Facilities Grant and social services and other funding streams were used for the remainder (see Figure F5).

F5.11 Table F3 presents the number of completed adaptations of different sizes across the local authorities participating in our survey, broken down by source of funding. The table clearly illustrates the dominance of the Housing Revenue Account and social services funding for adaptations below £1,000, and the increasing significance of DFG as the size of works increases. DFG funds four out of five adaptations between £10,000 and £25,000, but is less dominant as the funding source for larger adaptations.



UNMET NEED

F5.12 Nearly half (47%) of the 34 housing authorities that responded to the question stated that in 2003/4 they had more valid Disabled Facilities Grant applications awaiting approval than they had capital to meet the costs (see Table F4).

F5.13 The size of the identified shortfall varied a great deal – from £20,000 in one small authority to £1,600,632 at the other extreme, with a median shortfall of £93,500.

Table F3 The size of adaptations, by funding source, 2003/4

Cost range	Wholly funded through mand. DFG	Wholly funded through Housing Revenue Account	Wholly funded by non-DFG Housing grant	Wholly funded by SSD	Jointly funded by DFG and SSD	Jointly funded housing revenue account and SSD	Wholly funded capital grant	Total cases and col%
Up to £1,000	190 (1)	5333 (38)	728 (5)	5706 (41)	10 (0.07)	1505 (11)	499 (4)	13971 69%
£1,001– £3,000	1444 (57)	972 (38)	30 (1.2)	23 (1)	15 (0.6)	0 –	68 (3)	2,552 12.5%
£3,001– £5000	966 (50)	859 (44)	0 0	69 (4)	11 (0.6)	0 –	46 (2)	1,951 9.5%
£5,001– £7,500	565 (63)	239 (27)	6 (1)	1 (0.1)	7 (1)	0 –	73 (8)	891 4%
£7,501– £10,000	255 (70)	61 (17)	5 (1)	0 –	2 (0.5)	0 –	41 (11)	364 2%
£10,001– £15,000	220 (84)	22 (8)	0 –	0 –	3 (1)	0 –	16 (6)	261 1%
£15,001– £20,000	112 (86)	6 (5)	0 –	2 (1.5)	2 (1.5)	0 –	8 (6)	130 0.6%
£20,001– £25,000	87 (80.5)	9 (8)	1 (0.9)	3 (3)	5 (5)	0 –	3 (3)	108 0.5%
£25,001– £30,000	35 (60)	13 (22)	0 –	1 (2)	7 (12)	1 (2)	1 (2)	58 0.3%
£30,001– £40,000	34 (61)	12 (21)	0 –	0 –	9 (16)	1 (2)	0 (–)	56 0.27%
£40,001– £50,000	22 (58)	5 (13)	0 –	0 –	7 (18)	0 –	4 (10.5)	38 0.18%
£50,001– £75,000	12 (75)	1 (6)	0 –	0 –	2 (12.5)	0 –	1 (6)	16 0.08%
£75,001 and over	2 (100)	0 –	0 –	0 –	0 –	0 –	0 –	2 0.01%
Total								20,398 100%

Note: % may not sum to 100% due to rounding.

Table F4 More valid applications than capital

	Number	Percent
Yes	16	47
No	18	53
Total	34	100
Not answered	3	
Total	37	

F5.14 Authorities were also asked what extra funding they would need each year to meet the adaptation needs of a) all disabled children b) the bathing adaptation needs of disabled older people and c) working age adults in their authority. Over half the authorities (56.7%) were able to provide estimates of the total needed for these groups, with a median figure of £275,000 (range £50,000 to £6,985,000¹⁰⁴). Just over half the authorities (51.4%) were able to break this figure down between the groups and to meet the needs of all disabled children the extra funding needed was from £20,000 to £406,000 with a median of £50,000. Bathing needs for older people needed a median amount of £100,000 in order to fulfil these needs (range from £21,000 to £1,925,000) and to fulfil the needs of adaptations for all working age adults a median figure of £75,000 would be necessary (range £21,000 to £5,060,000) (See Table F5).

Table F5 Extra funding needed each year to fulfil need			
	Median	Range	Number (%) of responses
Extra funding needed for the adaptation needs of all disabled children	£50,000	£20,000 – £406,000	19 (51%)
Extra funding needed for the bathing needs of older disabled people	£100,000	£21,000 – £1,925,000	19 (51%)
Extra funding needed for adaptation needs of working age adults	£75,000	£21,000 – £5,060,000	19 (51%)
Total extra funding needed to fulfil the needs of these groups of disabled people	£275,000	£50,000 – £6,985,000	21 (57%)

F5.15 As a proportion of the authority spending on adaptations funded by the Disabled Facilities Grant, the shortfall varied from as little as 3% of the Disabled Facilities Grant spending to one authority that estimated an increase of 138% of their current spending (see Table F6).

F5.16 However, nearly half the authorities were unable to provide information and some provided useful additional information relating to unmet need. For instance, one authority wrote:

It really is impossible to say as we don't have the basic information on needs broken down into the above categories. We can only say that we are well short of the resources we need to meet all such needs. The shortfall doesn't just relate to funding to pay for the adaptations themselves but an increased programme of adaptations would also require increased numbers of OTs and surveyors to ensure that additional funding could be spent. The amount that we are short by also depends upon whether we assume that the Disabled Facilities Grant means test remains the same or is changed.

F5.17 The lack of Occupational Therapy resources means that clients have to wait very lengthy periods of time for assessment. This means that there are a large number of people with unmet need but without an assessment, so we have no clear idea of what these needs are and how much it will cost to meet them. Consequently, there are fewer

¹⁰⁴ This figure is based on a recent Housing Needs Survey (2004) in one authority (27) who gave estimated assessments over a five year period. These total figures were divided by 5 to give the yearly costs needed.

Table F6 Shortfall as a proportion of the Disabled Facilities Grant spending in 2003/4

Local authority code	Spend Disabled Facilities Grant 2003/4	Size of shortfall	Proportion of spend %
7	193,739	25,000	13.3
8	286,756	75,000	26.2
17	476,692	168,000	35.2
18	232,000	60,000	25.9
19	429,344	80,000	18.6
22	560,000	540,000	96.4
23	57,618	20,000	34.7
24	382,506	44,000	11.5
27	703,566	22,500	3.2
31	1,007,000	700,000	69.5
34	1,250,000	300,000	24.0
36	238,073	87,000	36.5
45	1,162,164	1,600,000	137.6
46	963,000	314,000	32.6
47	335,000	59,000	17.6
48	1,212,603	1,600,632	131.9
49	302,410	100,000	33.0
57	1,750,000	1,000,000	57.0

people waiting later on in the process. Even so we have a backlog of over 100 clients waiting on the adaptations waiting list (mainly waiting for level access showers). Most of them are older people.

F5.18 Environmental Health Officers in another authority commented:

It is very difficult to assess extra funding as this is often dependent on social services recommendations on needs for adaptations. The Councils Housing Needs Survey 2004 identifies 6,325 households who could require facilities to be provided in the next five years to meet the needs of a current member of the household. This could equate to an estimate of need in excess of £25 million (assuming an average adaptation costing £4,000) ... There is already a large amount of pressure on housing budgets within the authority due to the loss of Local Authority Social Housing Grant ... level of need is far greater than available resources to the local authority.

F5.19 Others clearly indicated significant levels of unmet need even though they were unable to quantify it in their authority. One authority provided estimates but said:

Figures below are based on the need of the owner occupied sector only, and would need to be doubled in order to address the Registered Social Landlord sector in the event that Registered Social Landlord tenants begin to access Disabled Facilities

Grant funding in future years. The figures are also based on the current demand of approximately £700,000 per year in the owner occupied sector + the current backlog of £1,600,000 from previous years less the current budget of £800,000.

F5.20 Another stated:

Cannot split but demand have exceeded funding for the last few yrs. We are requesting additional funding for the next 2 yrs to reduce the backlog. Total budget 2005/6 £2m each for both public and private and £2.5m each 2006/7. This will mean if approved the funding for Disabled Facilities Grant's will be £1.2m with the SCG subsidy and will have £78,500 added from city funds.

F5.21 Finally, a large authority stated:

The ... district House Condition Survey 04 identified a notable perceived need from respondents for redesigning washing facilities to accommodate their disabilities. The survey identified a potential demand from 1,506 households.

TOTAL COSTS TO HOUSING AUTHORITIES OF ADAPTATIONS OVER THE MAXIMUM GRANT LIMIT

F5.22 The total costs of adaptations over the maximum grant limit of £25,000 in each housing authority could not be calculated exactly because the numbers given were within specified cost ranges (see Figure F2). However, by calculating the numbers within each range at the bottom end of the range, a minimum cost to housing authorities of the adaptations that exceeded the maximum grant limit was possible.¹⁰⁵

F5.23 The proportion of housing authorities that supplied this information was 70.3% (26) and the total numbers ranged from one high cost adaptation in four authorities to 20 in one authority (median = 4, mean = 6.6).

F5.24 The minimum extra costs to housing authorities that were calculated as above varied from £25,000 to £745,000 (median = £132,000, mean = £217,307). Clearly, this means little on its own because the size and profiles of the authorities differ and therefore further calculations were carried out to determine the proportion of these costs of the housing authority's actual spend (including both government allocation and local authority budgets) in 2003/4. The range again varied between less than 1% and 127.5% of total budgets, with a median of 28.8 % of the total budget (Government allocation and local authority allocation).

POLICY AND PRACTICE WHEN COSTS EXCEEDED THE MAXIMUM GRANT LIMIT

F5.25 Most authorities had a range of policies if costs exceeded the grant limit and these included:

- Helping applicants to raise extra money from charities or welfare funds: some using Home Improvement agencies to seek alternative funding of this nature.

¹⁰⁵ The bottom end of the range was chosen, rather than the mid-range, because the highest cost range specified £75,000 and over, so there was no upper limit after this figure.

- Reducing the specification of the required works.
- Discretionary funding to top-up the Disabled Facilities Grant. One authority said that they used the discretionary powers under the Regulatory Reform Order up to £15,000.
- However, another authority said that they would have used Disabled Facilities Grant discretionary monies before the Regulatory Reform Order (2002) came into force but that their council “no longer provide top up monies for such large works. It is generally the policy to refer such cases to the welfare authority for assistance under the Chronically Sick and Disabled Persons Act 1970”.
- Social Care and Health were approached in a number of authorities to help with costs over £25,000. One authority commented that they would: “*consider topping up a Disabled Facilities Grant [when all other alternatives had been explored] and the result of not being able to proceed with the Disabled Facilities Grant would lead to greater care costs in the future (i.e. family not able to care for disabled person leading to a need for residential care)*”.
- One authority used the Home Safety Grant up to a maximum of £2,000 to top-up the Disabled Facilities Grant.
- Equity loans, legal charges on the property and other loans to help applicants raise extra funds.
- Relocation and/or moving on grants were encouraged or supported by some authorities.
- Alternative contractors were sometimes sought who would do the works for the assessed amount.

F5.26 One authority commented:

Another problem exists when the cost of building work approaches the £25,000 mandatory limit and there is insufficient grant funding available to pay both the builder and the agency fee. In such cases the in-house Home Improvement Agency has agreed to accept a lower fee or nil fee to enable the building works to proceed. This however has longer term funding implications for the Home Improvement Agency and is not a sustainable arrangement.

We are considering amending our policy so that if the cost of works is approaching £25,000, a discretionary adaptations grant will be awarded to cover the excess agency fee. This mechanism can be accommodated within our current grant policy.

CHANGES TO FUNDING OF ADAPTATIONS

F5.27 Until the end of 2003/4, Government refunded to local authorities 60% of whatever they spent on Disabled Facilities Grants without limitation. Because of national overspend, however, in April 2004 they introduced a cap. The total amount of subsidy was thenceforth limited to the allocation made by the ODPM to the Regional Government Offices and by the regions to local housing authorities. 80% is given on

the basis of a national formula (the DFG index) and 20% at the discretion of the Regional Office. The effect of this cap was to hit very hard authorities who had been spending much more than the formula now allocated.

F5.28 The DFG index is based on three factors: the numbers of disabled people, their likely eligibility for DFG in terms of both the need for it and their income, and an allowance for regional variations in building costs. The numbers of disabled people are determined by those claiming attendance allowance and disability living allowance, and do not change much. The information on eligibility is based on the English House Condition Survey, which used to be produced only once every five years. A second major change in allocation has taken place for 2005–06 because the information on eligibility in the newly available EHCS 2001 was very different from the 1996 information¹⁰⁶.

IMPACT OF CHANGES TO THE DISABLED FACILITIES GRANT FUNDING ALLOCATION FROM 2003/4 TO 2004/5

F5.29 Out of the 29 housing authorities, which supplied information about the impact of Disabled Facilities Grant funding changes, 37.9% (11 authorities) showed a loss of Disabled Facilities Grant revenue between 2003/04 and their projected 2004/05 spending as a result of the changes, whilst 55.2% gained and 6.9% retained their previous level of funding (see Table F7). The percentage change across the housing authorities ranged from minus 42% to plus 40.5%.

Table F7 Impact of changes to Disabled Facilities Grant funding in 2003/4 on local authorities		
	Number	Percent
Loss	11	38%
Gain	16	55%
No change	2	7%
Total	29	100%
N/K	8	
Total	37	

F5.30 The figures for the 37 study authorities for 2004/5 show that the numbers of authorities that lost decreased slightly from 38% to 33%, whilst the proportion of those that gained also decreased from 55% to 39%. On the other hand, the proportion of authorities with no change in budget increased from 7% to 28% (see Table F8). The range of percentage change however was similar to the previous year from a decrease of 41% to an increase of 47%.

¹⁰⁶ As the EHCS is now produced annually, there should be no more sudden changes from this source.

Table F8 Impact of changes to Disabled Facilities Grant funding in 2004/5 on local authorities, with comparative figures for 2003/4

	Number		Percent	
	2004/5	2003/4	2004/5	2003/4
Loss	12	11	33.3%	38%
Gain	14	16	38.8%	55%
No change	10	2	27.7%	7%
Total	36	29	100%	100%
N/K	1	8		
Total	37	37		

LOCAL HOUSING AUTHORITY BUDGETS 2003/4 AND 2004/5

- F5.31 A corresponding increase or decrease was observed in the local housing authority budget allocation. Four housing authorities (14%) predicted a decrease in their local authority spending for adaptations by 3%, 42%, 43% and 55%. The majority (86%) however, projected an increase in spending from local authority funding during 2004/5, which ranged from a 1% increase through to a 120% increase (see Table F9).

Table F9 Local authority budget allocation 2003/4 and 2004/5

	Number	Percent
Less local authority budget allocation	4	14%
More local authority budget allocation	25	86%
No change in allocation	0	0
Total	29	100%
N/K	8	
Total	37	

OVERALL CHANGE IN BUDGETS FOR ADAPTATIONS 2003/4 TO 2004/5

- F5.32 The amounts of monies allocated overall generally increased (83%) when local authority spending was added to government allocation and the increase ranged from 1% to 54%. One local authority budget allocation remained the same and four authorities had less money available to them for adaptations in 2004/5 than they had in 2003/4 (see Table F10).

SOCIAL SERVICE EXPENDITURE ON ADAPTATIONS

- F5.33 The Chronically Sick and Disabled Persons Act (1970) places a duty on social service authorities to provide works or adaptations or additional facilities to secure greater safety, comfort or convenience (Section 2). These duties can be met by:

Table F10 Change in the total budget allocation for adaptations 2003/4 to 2004/5		
	Number	Percent
Decrease in total budget for adaptations	4	14%
Increase in total budget for adaptations	24	83%
No change in total budget for adaptations	1	3%
Total	29	100%
N/K	8	
Total	37	

‘... direct provision of equipment or adaptations, by providing loan finance to a disabled person to enable them to purchase these facilities, or by providing a grant to cover or contribute to the costs of provision.’

F5.34 Furthermore:

‘They have a duty to ensure that the assistance required by disabled people is secured. This includes those cases where the help needed goes beyond what is available through Disabled Facilities Grant, or where a Disabled Facilities Grant is not available for any reason, or where a disabled person cannot raise their assessed contribution.’

(Office of the Deputy Prime Minister 2004)

MINOR ADAPTATIONS

F5.35 Twelve local authorities (32%) provided information on the amount of money they spent on minor adaptations (below £1,000) during 2003/4 and this ranged from £3,734 to £333,600 with a median of £73,343. When compared to the population of each area from the census figures of 2001, there was a significant correlation ($p < .05$) between the amount spent and the population of the area. Expenditure on minor adaptations varied between £0.034 per capita and £1.34, with a median of £0.45 for each member of the population in the area.

MAJOR ADAPTATIONS

F5.36 Information about expenditure by social services on major adaptations (over £1,000) was supplied by eleven authorities (30%) and varied from £2,500 to £460,398 (median £63,534). When compared to the population of each area from the census figures of 2001, expenditure on major adaptations was from £0.022 to £2.367 per head of population, with a median amount of £0.871.

F5.37 Following the Community Care (Delayed Discharges etc) Act (2003), research authorities were asked about their policies on funding minor adaptations costing up to £1,000. A third of authorities answered this question, with a wide range of policies. One undertook individual assessment and would help if the applicant met their assessment criteria, two said that social services would fund minor adaptations under £250; one would fund adaptations less than £500, while another would fund under £1,000 with a

Table F11 Expenditure on adaptations 2003/4 per capita				
Expenditure	Range per capita £	Median per capita £	Number responses	% of authorities
1 Social services funded minor adaptations	0.034–1.34	0.45	11	29.7%
2 Social services funded major adaptations	0.022–2.36	0.87	10	27.0%
3 Council house adaptations from Housing Revenue Account	0.32–9.42	2.28	21	56.7%
4 Mandatory Disabled Facilities Grant (excluding council tenants)	1.25–7.72	3.42	34	91.9%
5 Other housing expenditure above £25,000	0.11–3.46	0.41	6	16.2%
6 Other housing-funded adaptations (e.g. RRO)	0.06–3.38	0.40	11	29.7%

needs assessment. One would fund all adaptations under £1,000 excluding council tenants and one used Fair Access to Care criteria to determine eligibility. Over half (58%) had agreed a formal policy with the housing authority and housing associations about which minor adaptations social services would fund.

F5.38 Only eight social service authorities responded to a question about their procedures to ensure that needs are met when a) applicants for the Disabled Facilities Grant cannot afford their means-tested contribution b) they are not eligible for a Disabled Facilities Grant because their contribution exceeds the cost of the works, or c) the works cannot proceed because the cost exceeds the maximum mandatory grant.

F5.39 Two (25%) said that they had no funding for this, three used a hardship assessment and the remaining three used a range of procedures. One used “*Interest free loans or top-ups from minor works budget in extreme cases*”, while another had a policy of offering “*Interest free loans, alternative housing or surveying and Occupational Therapy services to assist in their own completion of adaptations*”. The third authority said:

‘[Name of authority] has set up a Disabled Facilities Grant Contributions Fund to which people can apply for help with their assessed contributions. There is a means test and disability related costs can be taken into account. Awards over £1,000 are given as a loan which is repayable, on a sliding scale, if the person moves within 5 years. Occupational Therapists also give advice and support in accessing charitable funds.’

EXPENDITURE ON COUNCIL HOUSE ADAPTATIONS

F5.40 In 2003/4 a large proportion (77%) of the study authorities retained some council housing stock. Only eight authorities (23%) had no council housing stock at all.

COUNCIL HOUSE ADAPTATIONS FROM THE HOUSING REVENUE ACCOUNT

- F5.41 Twenty-one authorities (56.8%) supplied information about expenditure on council house adaptations from the housing revenue account during 2003/4. Actual expenditure ranged from £62,000 to £2,027,036 with a median of £523,197. These actual figures mean little unless they are related to the size of the authority and the expenditure per head of population in each area varied considerably from £0.32 per capita to £9.42. The variation in expenditure may result from larger populations of older people and/or higher levels of disability in some areas (see Table 11 Section 3).
- F5.42 Housing authorities were asked if they made use of the DFG for major adaptations to council housing and four (15%) said they always used the Disabled Facilities Grant for this purpose, three used it on some occasions, whilst 73% (19) did not use it for council house adaptations at all.
- F5.43 Only 13% of the research authorities replied to a question about the percentage of council house applications that resulted in a nil contribution for applicants and the most frequent percentage was 95% with a nil contribution (range 3% to 100%). The most usual contribution of those contributing to adaptations was £604 (range £51 to £1,909). For those that could not afford their contribution, extra funding was sought from the housing revenue budget or the Home Safety Grant in one authority or in another instance the Arms Length Management Organisation paid.

RING-FENCED BUDGET

- F5.44 In Wales, although the Disabled Facilities Grant is a mandatory grant, as it is in England, there is no ring-fenced budget. Instead, local authorities set budgets for adaptations out of their general budgets appropriate to meet the anticipated mandatory obligations. One of the options being considered for change in England is that the money that is currently allocated as a ring-fenced amount to cover 60% of the costs of each grant given would instead be included as part of mainstream housing funding as in Wales. It would then be up to the authority to decide how much to allocate.
- F5.45 Based on their experience of budget setting in their authorities, respondents were asked about the effect if the Disabled Facilities Grant continued as a mandatory grant but the ring-fencing was removed. Only five respondents (15%) thought that spending on adaptations would increase if the ring-fencing was removed from the mandatory Disabled Facilities Grant. The majority (52%) thought that spending would decrease, whilst a third thought that this action would not change things very much (see Table F12).
- F5.46 This issue provoked a large number of additional comments, with over half the authorities adding extensive observations. Responses focussed on the pressure on the current budget. Many thought that current Council budgets for DFG would not be sustainable if the ring-fencing were removed. One authority summed up the sentiments of many others when stating:

Since the Disabled Facilities Grant funding allocation system was changed in 2004, this authority has struggled to meet the increased demand for Disabled Facilities Grants. As the 2004/2005 and 2005/2006 Government Specified Capital Grant allocation is considered to be totally inadequate to meet demand and need in

Table F12 Effects of removing the ring-fencing of the Disabled Facilities Grant

	Number	Percentage of responses
Decreased spending on adaptations	17	52%
Increased spending on adaptations	5	15%
No change in spending on adaptations	11	33%
Total	33	100%
Not answered	4	
Total	37	

[authority name], this authority has allocated additional funds, as a short-term measure, to overcome the current acute difficulties.

However, this has had a serious detrimental impact on the rest of the Council's capital investment programme. Indications are that council members will not agree to maintain the Council's funding of Disabled Facilities Grants at current levels after 2005/06. Therefore, if SCGs were to be abolished, I would anticipate less expenditure on disabled adaptations.

As I do not foresee any fall in need or demand, the inevitable consequence will be a poorer service to customers with longer waiting times and the introduction of a priority points system to deal with the most urgent cases in a reasonable timescale.

F5.47 On the other hand, a few authorities expressed the view that removing the ring-fencing would be beneficial. One authority said:

It is subjective but the removal of the ring fenced budget would create a more open discussion and bid for resources rather than naturally abiding to the ring fenced amount, the budget setters would be seen to be more accountable if the allocation for Disabled Facilities Grant was insufficient and backlogs increased.

F5.48 This was an exceptional view however and other authorities pointed to other pressures on capital resources and the risk that these pressures would mean that funding for adaptations would be disadvantaged. For instance, one authority again represented the views of many:

For the last couple of years [local authority name] has spent significantly more money (than allocated to us) on Disabled Facilities Grants, this is due to a large demand for such adaptations in the area. We have however had surplus capital resources to spend in this area, as the Council is debt free and had additional Right to Buy Receipts to fund extra expenditure in this area. Available resources for capital investment will become less in the future, as the Council invests in it's council house stock to achieve Decent Homes by 2010, looks at the need to renovate our sheltered stock and provides resources to facilitate affordable housing developments by Registered Social Landlords.

Ring fencing of the budget means that it has to be used in this area, if it wasn't ring-fenced there could be a risk in the future, as capital resources became scarcer, that the grant would be used for other purposes, due to the other priorities the Council is facing. However, this would be subject to policy and political decision making by the Executive Councillors.

ANNEX F

Chapter 6

Children's adaptations

- F6.1 Since one of the drivers for the Disabled Facilities Grant review was the removal of the means test for families with disabled children in Northern Ireland, we were particularly interested in the current situation regarding children's Disabled Facilities Grant in the national study authorities.

ENQUIRIES INVOLVING A PARENTAL MEANS TEST

- F6.2 Many authorities answered some of the questions about the numbers of enquiries during 2003/4 involving a parental means test and the related questions. However, different numbers of authorities provided numbers for the related questions about a) enquires about children's Disabled Facilities Grant with a parental means test (20 authorities), b) how many of those went forward to application (21 authorities), c) how many of these applications were approved (21 authorities) and d) how many of these approved applications did not proceed because the parental contribution was too high (14 authorities).
- F6.3 Sixteen authorities (43.2%) answered all related questions and therefore the following findings provide information from those authorities only. They were representative of the study authorities and covered a range of authority types: districts, metropolitan boroughs and London boroughs as well as all English regions (see Table F13).
- F6.4 In these authorities, 158 enquiries that involved a parental means test were received during 2003/4 – with a mean of 9.88 per authority.

ENQUIRIES THAT PROCEEDED TO APPLICATION

- F6.5 We know from the responses from 16 authorities that 91 of the initial enquiries in cases involving a parental means test moved forward to an application for a Disabled Facilities Grant (57.6% of enquiries), with a mean of 5.69 per authority (see Table F14).

ENQUIRIES THAT WERE APPROVED FOR DISABLED FACILITIES GRANT

- F6.6 From those that proceeded, 81% (74) of applications were subsequently approved for an adaptation under the Disabled Facilities Grant. Those that were approved therefore represented 47% of the initial enquiries that involved a parental means test.

Table F13 Selected local authorities

Local authority code number	Local authority type	Local authority classification (ONS classifications)	Region	Population (2001 Census)
7	District	Rural	South West	48,843
8	District	Rural	South West	44,416
12	District	Urban fringe	South	76,415
14	District	Prosperous England	South East	129,005
23	District	Rural	North East	31,029
24	District	Urban fringe	Midlands	92,126
27	District	Rural	South	106,450
29	District	Coast and services	South coast	97,568
34	Metropolitan borough	Mining, manufacturing and industrial	North West	216,103
43	London borough	Education centre and outer London	South East	214,403
45	Metropolitan borough	Mining, manufacturing and industrial	North West	150,459
46	Borough	Mining, manufacturing and industrial	North East	157,979
47	Borough	Mining, manufacturing and industrial	North East	266,988
48	District	Mining, manufacturing and industrial	North East	Not known
51	District	Coast and services	South West	186,701
53	District	Prosperous England	Midlands	245,641

ENQUIRIES THAT DID NOT PROCEED BECAUSE THE PARENTAL CONTRIBUTION WAS TOO HIGH

- F6.7 Just over a quarter of enquiries involving a parental means test did not proceed because the parental contribution was too high (see Table F14).
- F6.8 Given what we know about the high costs of caring for children with disabilities and the amount of debt these families frequently find themselves in, which is often compounded by the restrictions on parental working that caring for their children entails, the estimated figures for withdrawal due to being unable to afford their contribution is not surprising. Yet, adaptations that have been assessed by an occupational therapist and approved by the grants department are indisputably needed. The drop out rate therefore gives cause for concern. The costs to the children and their families of not getting these necessary adaptations is very likely to result in even greater difficulties for the families and children in many different ways.

Table F14 Progress of enquiries for children’s Disabled Facilities Grant (with parental means test) during 2003/4 in 16 study authorities		
	Number	
Number of enquiries with parental test of resources*	158	Mean = 9.88 per local authority (N=16)
Enquiries that resulted in an application for Disabled Facilities Grant	91	57.6% of ptor* enquiries
Number of applications approved for Disabled Facilities Grant	74	81.3% of applications
Number of applications that did not proceed because parental contribution was too high	40	25.3% of ptor* enquiries
Other enquiries that did not proceed for other reasons	27	17% of ptor* enquiries

1. * ptor (parental test of resources)

COSTS OF APPROVED ADAPTATIONS

F6.9 What we now need to know is the cost of these adaptations for children. The average full costs of approved adaptation works for children, in the 16 study authorities used for these calculations, ranged from £1,437 to £40,983 with a mean cost of £16,662 and median of £12,100. At the lower end, the variation was between £4 and £25,000 and at the high end of costs, the range was from £9,134 to £85,000. Clearly there is an enormous difference in the costs of approved adaptations for children from very minor works costing £4 and extensive projects costing as much as £85,000.

F6.10 There was no correlation between the average costs of works and the population size of the housing authority as one might expect. However, just one extensive adaptation such as the one at £85,000 above would alter the figures to such a large extent that this is not surprising.

PARENTAL CONTRIBUTIONS TO THE COST OF APPROVED ADAPTATIONS

F6.11 The range of parental means tested contributions of approved adaptations for children that proceeded to completion ranged from £17 to £10,408, with a mean contribution of £2,940. On the other hand, the parental means tested contributions of those that did not proceed ranged between £10,000 and £64,000, with a mean of £30,891 (see Table F15). It should be pointed out that as the means test bears no relation at all to the cost of works, these higher contributions do not necessarily reflect the costs of works, which may be higher or lower.

Table F15 Average parental contributions for children’s adaptations that were carried out compared with those that withdrew		
	Completed adaptations for children	Family withdrew because they could not afford contribution
Average parental contribution	£2,940	£30,891
Range of parental contribution	£17 – £10,408	£10,000 – £64,000

- F6.12 There is an obvious difference in the levels of parental contribution for the adaptations for children that proceeded to completion and the assessed contributions of those that withdrew.

LOCAL AUTHORITY PROCEDURES FOR ENABLING ADAPTATIONS FOR CHILDREN

- F6.13 What happens when a need for adaptations for children has been identified but the parents are unable to proceed because the contributions are too high for them to fund or when the necessary works exceed the maximum grant?

- F6.14 Only six authorities (16.2%) said that they used the Regulatory Reform Order (RRO) to implement local policies for children's adaptations when parental contributions were too high or when the cost of works exceeded the Disabled Facilities Grant limit. The majority (73%) said that they did not use the provisions of this order and four (11%) did not answer the question.

- F6.15 Those that did use it for this purpose said:

We have used the Regulatory Reform Order to continue our policy of awarding an additional discretionary grant of £5,000 maximum to mandatory Disabled Facilities Grant's for children. This gives us an effective maximum grant of £30,000 at present.

The Council introduced a Minor Alterations Grant, based around the Minor Works Grant Process, which is available for all alterations under £4000.00 and is tenure and age blind. This has removed a significant number of people from the means-testing regime and increased processing times for grants.

Families have been given a loan to assist with adaptations as well as a grant.

Reduce calculated contribution by using Regulatory Reform Order powers – recalculate the contribution using real housing costs.

We have introduced a new policy under the Regulatory Reform Order where we automatically pay the notional loan where the client's contribution has been assessed at £3k or less and we pay some towards the contribution on a sliding scale where it has been assessed at higher than this amount. All applicants benefit from this, including the parents of disabled children.

- F6.16 Another authority stated:

Safe and Secure Assistance is a grant, up to a maximum of £5,000, for provision of smaller adaptations such as stair lifts or provision or improvement of heating systems, to provide these facilities more urgently than would be the case if an application was made for a Disabled Facilities Grant. Applicants must be in receipt of certain specified means tested benefits, or their equivalents (Income Support, Council Tax Benefit, Income-based Job Seekers Allowance, Working Tax Credit, Disabled Person's Tax Credit [or equivalent], Housing Benefit).

Discretionary Disabled Facilities Assistance, in the form of an interest-free loan, may be considered up to a maximum of £5,000 to provide additional adaptations for the

benefit of the disabled person, which would not be eligible for mandatory Disabled Facilities Grant. Such assistance would be at the discretion of the Council and would be determined by the Adaptation Liaison Group, which meets on a regular basis and comprises senior officers from Social Services, Urban Renewal Section and the Architectural Design Unit. Such assistance would be lodged as a charge against the property with the Land Registry and would be repayable on the sale of the property.

F6.17 One authority did not use the Regulatory Reform Order and said:

‘Prior to the Regulatory Reform Order (Housing Assistance) (England and Wales) Order 2002 [council name] would use a discretionary disabled facilities grant to ‘top up’ large works. Under the adopted policy under the Regulatory Reform Order, the Council no longer provide top up monies for such large works. It is generally the policy to refer such cases to the welfare authority for assistance under the Chronically Sick and Disabled Persons Act 1970.’

F6.18 Most authorities had systems in place to obtain additional funding for works that exceed the maximum grant of £25,000 or for helping families who withdraw because the assessed contribution is not possible. However, one authority stated, *“If parents are unable to increase their mortgage, adaptations do not proceed”* (23). Most sought alternative funding from charities, whilst others used non-Disabled Facilities Grant housing grant monies to pay for the shortfall. Others relied on social services for top-up funding, operated means-tested loans, means-tested safety net facility, monthly payment options, contingency funds, discretionary grants and equity release schemes. Some of the schemes had a ceiling on the amount of discretionary or social services top-up, which varied from £2,500 to £15,000 (from the Regulatory Reform Order budget) and loans were often subject to a charge on the property, whilst one authority used Credit Union loans that were underwritten by the housing authority. Only one authority mentioned duties under the Chronically Sick and Disabled Persons Act 1970 and stated:

‘Subject to the family meeting the criteria for social and caring funding the County Council may provide funding Under Section 2 of the CSDPA. However it is often the position that the cost of the work is well in excess of the maximum Disabled Facilities Grant due to cost of building work and SS is not always able to meet all shortfall. Where possible we will ask the family to secure a loan or approach such organisations as the Joseph Rowntree Family Fund or other charities’

F6.19 One other authority mentioned the potential impact on the family of adaptations not being carried out:

‘If the impact on the family of the adaptations not being carried out was considered detrimental to the welfare of the child, there may be a case for funding by Social Services. Charities such as the Family Fund would be approached in the first instance (the council’s Care and Repair agency is also used to approach charities), but on the whole charities are not keen to contribute to home adaptations. We have had a few cases in the past where the Family Fund has matched the Social Services contribution (this has not occurred recently though as they seem less willing to contribute).’

F6.20 Few authorities were able to say what happened to families that withdrew because they could not afford the assessed contribution. Where information was available, eight

families were identified who had provided the adaptations from their own resources (or were planning to), seven were said to have moved home and ten families remained in an un-adapted home. One authority stated that:

‘Whilst no specific data is available the Paediatric Occupational Therapy Service have indicated that from their experience, the majority of families faced with contribution they can not afford remain in un-adapted homes.’

- F6.21 It was clear from the responses that most of the study authorities are working hard to find ways in which to deal with shortfalls in the monies that are needed to carry out necessary adaptations for children. Moreover, it was equally clear that a significant amount of staff time was spent in either finding extra funding from different budgets or in helping families to find additional funding from charities or elsewhere and that the work necessary to achieve extra funding also resulted in considerable delay.

ANNEX F

Chapter 7

Delay

- F7.1 Over a third of the study authorities (13, 35%) estimated the delay in the number of working days when costs exceeded the maximum grant. The range of approximate delay was between 10 and 274 working days (274 working days is 14 calendar months). One authority said that they were unable to estimate the average number of working days delay, but that it amounted to Lots – 7–9 months – years.
- F7.2 There were also costs associated with delay in terms of the amount of time spent by the agency if the scheme is subsequently abandoned; architect's fees and increased costs of the work during the delay period were also mentioned:
- Contractors can only hold their prices for 3 months. Securing funding can delay a case by 6 months or more. This would mean that the cost may well increase. Also extra surveys may be carried out to establish whether or not an alternative solution can be found. New forms may need to be completed, caseworker input is increased, OT input is increased. All of these have a cost.
- F7.3 Study authority responses unsurprisingly focussed on financial costs and the costs of staff time in relation to delay. The costs of delay to families and children were not mentioned. For instance, costs are incurred in terms of the emotional and physical strain on parents, disabled children and other children in the family and the inability of one or both parents to work whilst caring for the child in increasingly difficult physical circumstances. These were the predominant issues relating to delay that were raised by parents in consultation groups and in interviews with individuals.

ANNEX F

Chapter 8

Occupational Therapy Services

- F8.1 It is widely documented that there are national shortages of Occupational Therapists and that the time taken for an assessment can be a significant factor in delays for Disabled Facilities Grants and housing adaptations. With this in mind, we wanted to find out the extent of the problems in England.

REFERRALS

- F8.2 During 2003/4 Community Occupational Therapy Services in the research authorities (N=28/37) received an average of 3,289 referrals for assessment (range 575 – 12,000: median 2,128). The referrals were requests for assessment irrespective of the outcome and not necessarily just for adaptations. This provides a context in which Occupational Therapy Services operate.

AVERAGE TIMES FOR ASSESSMENT

- F8.3 The average waiting time for assessment varied between five days and 360 days, with a median of 61 days and a mean of 97 days. One authority with a very long waiting time, however, introduced “*specific waiting list initiatives*” which resulted in a reduction of their average waiting time to 80 working days.
- F8.4 The average waiting time included different waiting times for different priority groups under Fair Access to Care Services (FACS) or the priority categories used by the service. For example, people who were initially assessed as being in need of services at Priority 1 level were most likely to wait only three working days for an assessment (mean 7 days), whereas those deemed Priority 2 waited 20 working days (mean 36) and those at Priority 3 most often had to wait 60 working days (mean 81) (see Table F16).

Table F16 Waiting time for assessment by Priority category

Intervention Standard	Waiting time for assessment: Working days Median (mean)	Range: Working days	Number (%) of authorities	Missing cases
Priority 1	3 (7.1)	1–60	25 (68%)	12
Priority 2	20 (35.6)	3–180	24 (65%)	13
Priority 3	60 (80.7)	10–360	17 (46%)	20
Priority 4	60 (90)	40–260	7 (19%)	30

FAIR ACCESS TO CARE SERVICES AND INTERVENTION STANDARDS

- F8.5 Fewer than half the research authorities (43%) used Fair Access to Care Service (FACS) criteria as their intervention standard. However, most used some criteria to assess priority to services and only two authorities said that they had no systems for prioritising requests for assessment. One authority assessed only those who were considered to be at a 'Critical' level of need, whilst most used 'Substantial' need (48%) or 'Moderate' (42%) as their lowest intervention standard. Only two authorities included 'Low' need as an intervention standard (see Table F17).

Table F17 Lowest intervention standard used		
Intervention standard	Number of authorities using the standard	Percentage of authorities providing information
Critical	1	3
Substantial	15	48
Moderate	13	42
Low	2	6
Total respondents	31	100
No response	6	
Total sample	37	

- F8.6 Additional information from some authorities revealed that Fair Access to Care Services criteria is used at different stages in the process and that this has potential implications for people with disabilities. Some use Fair Access to Care Services criteria when someone is referred and before assessments are made, whilst other authorities state that:

Fair Access to Care Service criteria are used following an assessment of need. This determines eligibility for a service not whether a Disabled Facilities Grant is appropriate.

- F8.7 Some authorities were concerned that some clients may miss out on help with adaptations via the Disabled Facilities Grant because they fall below the Fair Access to Care Services threshold. For instance, one authority said:

There is some concern within the Housing section that some clients assessed as moderate or low under the Fair Access to Care Services assessment could be eligible to apply for a Disabled Facilities Grant but miss out on this opportunity as the current route into this service is through an Occupational Therapy assessment. Further guidance is needed to clarify how local authorities should deal with this issue to ensure an equitable service to all.

- F8.8 Another said:

As we accept referrals from all 4 Fair Access to Care Services categories, this is not an issue for us at this time. However, it could become one if the council decide to remove the low/moderate categories. The issue then becomes one where Social

services gate-keeping prevents clients from accessing services they are entitled to under non-social care legislation such as the Disabled Facilities Grant.

F8.9 Some have dealt with this issue by adjusting their practice:

At present Occupational Therapists carry out assessments where people's needs apparently fall below the threshold for Fair Access to Care Services, but where they might be eligible for adaptations through Housing. This is actively under review at present. Social Services currently uses a "contact" assessment to determine the likelihood of eligibility for service. People are advised that they are unlikely to be eligible for services. Currently people who fall below eligibility thresholds but who may benefit from a Disabled Facilities Grant are passed to specialist Occupational Therapy teams for assessment. We are examining the possibility of passing these to Housing following the contact assessment alone. Advice and information is given at this stage.

F8.10 And another said that:

Fair access to care criteria [is] used as a tool to assess the risk to individual service users and prioritise the allocation of recommended adaptations being allocated to the surveying services or to be deferred. (Fair access to care moderate/low categories are not however used to screen out or prevent access to Disabled Facilities Grant only as a means of prioritising cases.)

Initiatives to reduce waiting times

F8.11 Initiatives to reduce waiting lists were used by most authorities. These included employing non-qualified Occupational Therapy Assistants; finding additional funding to employ locum or agency Occupational Therapists specifically to reduce waiting lists; and providing some adaptations without an Occupational Therapy assessment.

OCCUPATIONAL THERAPY ASSISTANTS

F8.12 Most of the study authorities used unqualified Occupational Therapy Assistants (82%), while one authority used them for non-Disabled Facilities Grant adaptations with supervision (3%). Only five authorities (15%) did not employ non-qualified staff (see Table F18).

F8.13 Some assistants are used to perform initial assessments and initiate provision of some equipment and minor adaptations, whilst others are used specifically for bathing assessments or for local authority properties. Other authorities use assistants to carry out specialist assessments for adult clients with stable, slowly progressive medical conditions. The assistant:

... identifies the needs for access to essential facilities and make referrals to Private Housing Services for a Disabled Facilities Grant (major adaptations), or for minor adaptations. Where major adaptations are involved the Occupational Therapy Assistant identifies the need only and confirms that equipment has been trialled and will not meet the need. The Occupational Therapy Assistant ... does NOT specify the adaptations where structural changes are required. This is done by an

Table F18 Use of Occupational Therapy Assistants in assessment		
	Number of local authorities using occupational therapy assistants	Percentage of responses
Yes	27	82%
No	5	15%
No for DFG but Yes for non-DFG adaptations with supervision	1	3%
Total replies	33	100%
No response	4	
Total sample	37	

experienced Occupational Therapist based in Private Housing Services. The Occupational Therapy Assistant does specify simple major adaptations such as stair lifts and over-bath showers under close supervision from the Team Leader.

F8.14 One authority employs Occupational Therapy students as assistants during the long vacations to assist during the holiday seasons. This also operates as a recruitment initiative.

F8.15 Many of the authorities used either Occupational Therapy assistants or said that they employed trained agency staff, locums or peripatetic staff to reduce waiting lists. However, one authority said:

[We have] tried agency Occupational Therapists in the past [but ... they] did not really help in the long run. [The] most successful way of reducing WTL has been to use own staff to work out of hours paid on a case by case basis set fee.

FAST TRACK SERVICES AND OTHER INITIATIVES

F8.16 Bathing services in one authority are now fast-tracked, to avoid unnecessary delay, following evidence-based research. The pilot scheme was successful and the service was due to be provided across the authority in April 2005.

F8.17 Self-assessment forms are used by one authority, which are sent to clients on referral. Another had managed to remove their waiting list using a variety of measures:

We currently do not have waiting lists as we have been fortunate enough to receive additional resources to fund locums. We plan to maintain this situation after the locums leave us by: increasing duty hours, accepting referrals into the service with less detailed information, (thus speeding up duty), setting allocation targets for staff and using supervision to ensure thru put of case work and swift closure of cases. We are also considering how we can make use of Occupational Therapy Assistants and have a temporary “Progress chaser” post, which we are attempting to make full time.

ADAPTATIONS WITHOUT OCCUPATIONAL THERAPY ASSESSMENT

F8.18 A substantial proportion of authorities (44%) had systems to provide adaptations without an Occupational Therapy assessment. One authority has a joint-funded scheme (social services, housing and City Primary Care Trust) to provide some services:

We have a joint-funded Preventative Adaptations (PAD) scheme whereby people who are not eligible for an assessment or statutory provision, but who may consider themselves at risk of falling can refer themselves for a visit from a Fieldwork Technician who will undertake an environmental assessment and provide additional stair rails, grab rails etc.

F8.19 Another authority has recently started to provide some minor adaptations (mainly grab rails) following an OT devised telephone screening carried out by trained Service Advisors.

F8.20 Two authorities have developed a means of providing minor adaptations. One uses a 'Handyperson' scheme, which involves a handyperson being employed by the Council to fit rails and do other small jobs for the cost of materials. The other is an 'Access Service', which provides grab rails and replacements for half steps or fabricated ramps.

ANNEX F

Chapter 9

Availability of housing to enable people to move

REGISTERS OF ADAPTED PROPERTIES

- F9.1 Just over half the authorities (51%) stated that they kept registers of adapted properties. The majority (71%) of those with registers recorded adapted council housing. Two authorities included council housing and housing association properties, two included owner-occupied housing also and one recorded all tenures, including privately rented properties (see Table F19). A register of adapted properties is an important first step but may not include a matching service, which is the key feature of disability housing registers (see Shaw, 2005 and Annex J).

	Number of replies	Percentage of responses
Council housing	12	71%
Council housing and Housing association properties	2	12%
Council housing, Housing association and owner-occupied properties	2	12%
Council housing, Housing association, owner-occupied and privately rented properties	1	6%
Total number of replies	17	100%
Missing	20	
Total	37	

- F9.2 All those with registers included the adaptations that had been carried out, whilst most (78%) also included information about the dates of works and installation. Over half (53%) included details of purpose-built properties but only two included room sizes or details of community facilities such as General Practitioners or schools.

AVAILABLE HOUSING

- F9.3 The viability of moving house, if this is a desired option for the disabled person and their family, depends on local housing stock characteristics. Respondents were asked about the average price of a 3-bedroom bungalow in their areas and estimates of the

availability of suitable housing in the social rented and owner-occupied sectors for families and for older people.

- F9.4 Over half the authorities (54%) provided an average price for a 3-bedroom bungalow in their areas and this ranged from £135,000 to £375,000, with a mean price of £228,133. Unsurprisingly, a difference in average costs of this type of property was related to the housing authority area, with all these properties in 'Education centres and outer London' and 'Rural' areas costing above the mean and those in 'Mining, manufacturing, industrial' and 'Urban fringe' areas costing below the mean.

OWNER-OCCUPIED SECTOR

- F9.5 However, suitable housing, with space and accessibility standards for a family of five on an average income with one seriously disabled member (i.e. with at least one bedroom, living room, bathroom and kitchen all to full wheelchair standard) was in short supply in the owner-occupied market. Nearly three-quarters (72%) indicated that suitable housing was 'very scarce' in their area and 28% that it was 'scarce' (see Table F20).

Table F20 Availability of suitable housing in the owner-occupied sector		
	Number of replies	Percentage of responses
Good supply	0	0
Reasonable supply	0	0
Scarce	9	28%
Very scarce	23	72%
Total response	32	100%
No response	5	
Total sample	37	

- F9.6 The availability of suitable 2-bedroom bungalows or flats for older people in both sectors was slightly better, especially in the social rented sector, but the majority were still likely to have to wait a considerable length of time for suitable accommodation to become available (see Tables F21 and F23).

Table F21 Availability of 2-bedroom bungalows or flats for older people in the owner-occupied sector		
	Number of replies	Percentage of responses
Good supply	0	0
Reasonable supply	8	26%
Scarce	17	55%
Very scarce	6	19%
Total responses	31	100%
No response	6	
Total sample	37	

SOCIAL RENTED SECTOR

- F9.7 The situation was marginally better in the social rented sector, where over three years waiting time was common to achieve a suitable property (see Table F22).

Table F22 Availability of suitable housing in the social rented sector		
	Number of replies	Percentage of responses
Good supply (3 months wait)	0	0%
Reasonable supply (6–12 months wait)	1	3%
Scarce (1–3 years wait)	9	27%
Very scarce (over 3 years wait likely)	23	70%
Total response	32	100%
No response	4	
Total sample	37	

Table F23 Availability of 2-bedroom bungalows or flats for older people in the social rented sector		
	Number of replies	Percentage of responses
Good supply (3 months wait)	0	0%
Reasonable supply (6–12 months wait)	7	22%
Scarce (1–3 years wait)	20	62%
Very scarce (over 3 years wait likely)	5	16%
Total responses	32	100%
No response	5	
Total sample	37	

HOUSING NEEDS

- F9.8 Nearly three-quarters (73%) of the housing officers commented on how their authorities are addressing the issue of providing housing for families with a disabled member. Over half (52%) had conducted a recent housing needs survey and three (11%) were planning to carry one out shortly.
- F9.9 In those that had already completed a survey, the most common difficulties identified were loco-motor problems. The survey in one authority showed that 58% had difficulties in walking and that 11% were wheelchair users. However, only 19% of the wheelchair users lived in properties that had been adapted for wheelchairs. Another authority found that only 29% of the properties that had been adapted for wheelchairs were actually occupied by people using wheelchairs and that 71% of wheelchair users lived in accommodation that had not been suitably adapted. Another authority identified a similar proportion (76%) of wheelchair users living in unsuitable housing.

- F9.10 Two authorities stated that targets of 10% and 1% respectively were set in their areas to build properties that were fully accessible to wheelchair users.
- F9.11 Some authorities found that single level accommodation was needed. For instance, in one authority 2-bedroom bungalows were needed, especially for elderly people with walking difficulties, but were very expensive and not readily available.
- F9.12 Bathroom adaptations were identified as being one of the most high demand adaptations and one authority said that these were needed by 1 in 5 respondents in their survey.
- F9.13 Two authorities commented that most of the adapted properties in their areas were housing association stock.

RESPONSES CONCERNING COUNCIL AND HOUSING ASSOCIATION ADAPTATIONS

- F9.14 Research conducted for this review has shown that there is widespread confusion, and inconsistency of approach, in the mechanisms by which the assessed needs of tenants living in housing authority stock are met. The national questionnaire aimed to obtain a picture of current practice.
- F9.15 Over half the authorities (53%: 18) retained their stock of council housing, whilst others (42%) had transferred all stock and two had transferred part of their housing to either a Large Scale Voluntary Transfer (LSVT) housing association or an Arms Length Management Organisation (ALMO). Seven of these authorities (19%) had made agreements with the new landlord that they would pay for adaptations from their own funds. A further 12 (32%) had agreements with other housing associations that included various arrangements: for instance, two had agreed to carry out tenure-blind assessments that would then be funded from different sources, one that housing associations would fund their own adaptations and another that housing associations would fund adaptations up to £1,000. One authority had different agreements with different housing associations: with two they had agreed which works would be undertaken by the local authority and which by the housing association and with another they had agreed a 50/50 split of costs. Another authority had agreed that housing association tenants were entitled to apply for a Disabled Facilities Grant.
- F9.16 During 2003/04, nearly half (49%) of the study authorities completed Disabled Facilities Grants for housing association tenants and the average cost of these adaptations ranged from £227 to £10,790, with a median cost of £3,987. Only two authorities supplied information about the number and value of completed adaptations from the resources of housing associations.
- F9.17 Further information supplied by the study authorities highlighted different attitudes towards funding adaptations for housing authority tenants.
- F9.18 Eight authorities stated that housing authority tenants should be treated the same as everyone else for a Disabled Facilities Grant. However, ten authorities (27%) said that housing associations should fund their own adaptations. For instance, one authority reflected the views of many when they stated:

As a responsible landlord the Council funds adaptations in its own stock and expects Registered Social Landlords to do the same. Adaptations in Housing Association properties should not be funded by the local authority. [Name of authority] funds work to its own stock and provides 40% contribution to the private sector. Registered Social Landlords should fund their own adaptations especially those Registered Social Landlords that solely provide for elderly and disabled clients.

- F9.19 If they did not completely fund their own adaptations, one authority felt that they should, at least, make a meaningful contribution:

The County Council believes that as landlords and owners of the property, the Registered Social Landlord has some responsibility to contribute to any shortfall over and above the Disabled Facilities Grant particularly as they will have reuse of the property in the future ... Many housing authorities refuse to make any more than a minor contribution (e.g. £500 towards a £20,000 shortfall on the Disabled Facilities Grant).

- F9.20 Some authorities pointed to increasing numbers of applications for the Disabled Facilities Grant from housing association tenants, which were putting a strain on local authority budgets. One authority stated that "*Approximately one third of all our Disabled Facilities Grants are for tenants of Registered Social Landlords*" and another that "*We know that the number of adaptations funded by Disabled Facilities Grants in housing association properties is rising. Last year it was probably about 50% of all.*".

- F9.21 Others said that housing associations were slow in dealing with adaptations or sometimes that they penalised clients or put obstacles in the way of adaptations.

- F9.22 Yet other authorities found that housing associations refused to pay for adaptations to their properties. For instance, one said that:

The approach of Registered Social Landlords in this area is to direct their tenants to the local authority for financial assistance. With a steadfast refusal to contribute to Disabled Facilities Grant work. However, there have been recent developments which may suggest that this approach is softening.

- F9.23 Others felt that housing authorities had insufficient funds to deal with adaptations and that they were faced with the same problems as local authorities. For instance, one stated that:

It appears that the funding given to Housing Associations for disabled adaptations is insufficient as we are starting to get more applications and enquiries for grant aid.

- F9.24 One authority pointed to the degree of confusion about this issue and stated:

Agreement has been reached with one local Registered Social Landlord on Disabled Facilities Grant applications. The lack of agreement with others is causing some difficulties. The problem is that there are so many Registered Social Landlords in the borough who could have tenants needing adaptation and these Registered Social Landlords work across a number of boroughs. Each Registered Social Landlords could end up making agreements with several Local authorities. This is a recipe for confusion. ... There is an obvious lack of guidance coming from Government and Housing Corporation on this issue. Problems that this causes are; Occupational

Therapist makes recommendations for minor adaptations, sends to the Registered Social Landlords and then never finds out if the recommendation is followed up or the timescale within which it is completed. Some Registered Social Landlords apply for Disabled Facilities Grants on behalf of their tenants, some don't, some expect the tenant to apply, some pay towards the client's contribution and others don't. Long delays in getting Registered Social Landlords to approve adaptations schemes drawn up by our in-house agency surveyors, confusion over who is responsible for ongoing maintenance of adaptations. This is an area that needs attention/guidance.

- F9.25 Another authority succinctly identified the point from which practice should be starting – that the: *“Client has a right to expect quality of life whoever owns the property ...”*.

BUILDING COSTS AND RISING COSTS

- F9.26 This section of the questionnaire related to the ability of the current £25,000 Disabled Facilities Grant limit to accommodate the range of work types necessary to meet assessed need.
- F9.27 Authorities were asked whether building costs had increased or decreased and, if so, to what extent. All respondents (36/37) indicated that building costs had increased over the last three years. 71% said that the increase exceeded 9%, one in five said that costs had increased by 3–5% and 8.6% that the increase was between 6 and 8% (see Table F24). Unexpectedly, no statistical relationship was found between local authority classifications and the extent of increased building costs.

Increase in costs	Number of authorities	Percentage of authorities
3–5%	7	20%
6–8%	3	9%
9% and over	25	71%
Total	35	100%
Missing	2	5%

- F9.28 Those that made additional comments talked predominantly about the shortage of experienced, skilled and trustworthy contractors who are able or willing to undertake this work. One authority identified some of the reasons that contractors are unwilling to undertake grant work and echoed comments made by others:

In addition to a general increase in building costs, some contractors are often unwilling to take on grant jobs (particularly smaller grant jobs) without adding a premium to the costs. This is due to a variety of reasons including difficulty in getting agreement for unforeseen works, delays in payments and the need to liaise with agents, Occupational Therapist and Grants Officers. All these items are then built in to the price charged, or jobs simply rejected. The increase in permit parking in residential areas means contractors also struggle to find suitable parking near to the property, which also adds extra cost.

F9.29 Another offered a different and extended list of reasons:

Building material costs, tax increase for tipping, insurance costs, labour charges due to shortage of skills (plumbing, electricians, brick laying, plasters), new Building Regulation requirements

F9.30 Whilst another stated simply that: "... *many contractors are prioritising their private works above grant works increasing timescales and costs*".

F9.31 Another mentioned the vulnerability of clients and stated:

Buoyant construction market in the city and relative shortage of skilled trades people has resulted in all the best builders being able to command premium prices. We are determined not to let "cowboy builders" back into this type of work involving such vulnerable people.

ALTERNATIVES

F9.32 Recent guidance *Delivering Housing Adaptations for Disabled People* (2004) endorsed the use of modular buildings to widen the options for providing for the needs of disabled people. However, this study identified only four authorities that had either tried such buildings as a pilot exercise (3%) or had used them but found them unpopular and not cost-effective (5%). Another two authorities were currently considering using them.

ANNEX F

Appendix A

December 2004

Dear

Review of the Disabled Facilities Grant: Urgent request

The Office of the Deputy Prime Minister, the Department of Health and the Department for Education and Skills are jointly reviewing the implementation of the Disabled Facilities Grant.

As part of this inter-governmental review, researchers at the University of Bristol have been commissioned to conduct a research study to investigate ways in which the implementation of the Disabled Facilities Grant can be improved. The research includes a national study that will elicit information about local policies and the use of the Disabled Facilities Grant. This information will, however, be anonymised and collated into general findings and authorities will not be listed or identified.

We would be grateful if you would nominate an officer to collate and provide information to assist us in this research, and as a matter of urgency, send the name and contact details of this person to: Sue Moyers at the School for Policy Studies, 8 Priory Road, Bristol, BS8 1TZ (Sue.Moyers@bristol.ac.uk). The University will then send an ethical consent form and proceed from that point.

We enclose the final terms of reference of the Joint Review Group and you will see from the timetable that this is very urgent. If you need more information about the research, please contact Sue Moyers as above.

Yours faithfully

Jeff Hollingworth

ANNEX F

Appendix B

December 2004

Dear

Review of the Disabled Facilities Grant: Urgent request

The Office of the Deputy Prime Minister, the Department of Health and the Department for Education and Skills are jointly reviewing the implementation of the Disabled Facilities Grant.

As part of this inter-governmental review, researchers at the University of Bristol have been commissioned to conduct a research study to investigate ways in which the implementation of the Disabled Facilities Grant can be improved. The research includes a national study that will elicit information about local adaptation policies and the use of the Disabled Facilities Grant. This information will, however, be anonymised and collated into general findings and authorities will not be listed or identified.

We would be grateful if you would nominate an officer to collate and provide information to assist us in this research, and as a matter of urgency, send the name and contact details of this person to: Sue Moyers at the School for Policy Studies, 8 Priory Road, Bristol, BS8 1TZ (Sue.Moyers@bristol.ac.uk). The University will then send an ethical consent form and proceed from that point.

The researchers will also be contacting the Chief Executive Officer of the relevant social services authority and will arrange with your appointed officer how to ensure liaison over the response.

We enclose the final terms of reference of the Joint Review Group and you will see from the timetable that this is very urgent. If you need more information about the research, please contact Sue Moyers as above.

Yours faithfully

Jeff Hollingworth

ANNEX F

Appendix C

Dear

Review of the Disabled Facilities Grant: Urgent request

The Office of the Deputy Prime Minister, the Department of Health and the Department of Education and Skills are jointly reviewing the implementation of the Disabled Facilities Grant.

As part of this inter-governmental review, researchers at the University of Bristol have been commissioned to conduct a research study to investigate ways in which the implementation of the Disabled Facilities Grant and wider adaptations policies can be improved. The research includes a national study that will elicit information about adaptations policies and the use of the Disabled Facilities Grant, which means that corresponding data from yourselves in relation to (name of the housing authority selected for the study) will be needed. This information will, however, be anonymised and collated into general findings and authorities will not be listed or identified.

We would be grateful if you would nominate an officer to collate and provide information to assist us with this research and, as a matter of urgency, send the name and contact details of this person to: Sue Moyers at the School for Policy Studies, 8 Priory Road, Bristol, BS8 1TZ (Sue.Moyers@bristol.ac.uk). The University will then send an ethical consent form and proceed from that point.

The researchers will also be contacting the Chief Executive Officer of the relevant housing authority and will arrange with your appointed officer how to ensure liaison over the response.

We enclose the final terms of reference of the Joint Review Group and you will see from the timetable that this is very urgent. If you need more information about the research, please contact Sue Moyers as above.

Yours faithfully

Jeff Hollingworth

ANNEX F

Appendix D

Dear

Review of the Disabled Facilities Grant: Urgent request

The Office of the Deputy Prime Minister, the Department of Health and the Department for Education and Skills are jointly reviewing the implementation of the Disabled Facilities Grant.

As part of this inter-governmental review, the research team at the University of Bristol have been commissioned to conduct a research study to investigate ways in which the implementation of the Disabled Facilities Grant can be improved. The research includes a national study that will elicit information about local policies and the use of the Disabled Facilities Grant. This information will, however, be anonymised and collated into general findings and authorities will not be listed or identified.

We have been given your name as the person nominated by your Chief Executive Officer to coordinate the responses to the attached questionnaire. This questionnaire is part of the comprehensive review of the delivery of housing adaptations and disabled facilities grants in all housing tenures, across England and the results will be used to inform decisions on recommendations for changes to the current arrangements to help improve the delivery of housing adaptations to owners and tenants.

As you will see from the questionnaire, it is not expected that any one person will be able to answer all the questions and we would be grateful if you could obtain and collate the information from the relevant people in your authority as a matter of urgency. If you are in a county authority or a non-unitary housing authority, you will need to know who to liaise with in the other authority. Please contact us and we will put you in touch with the person nominated in the corresponding housing/social services authority.

We also attach a Research Agreement form and would be grateful if you would complete this and return it signed as soon as possible.

The completed questionnaire should be returned electronically to: Sue.Moyers@bristol.ac.uk or by post to: Sue Moyers at the School for Policy Studies, 8 Priory Road, Bristol, BS8 1TZ by the 7th February 2005. Unfortunately, because of the schedule of the review group, this deadline is absolute.

The questionnaire has been sent in word format but if you have any difficulties in opening it, please contact me on 0117 954 6732 or email as above as soon as possible and it can be sent in any format you require. Please also contact me as above if you have any other queries.

Yours faithfully

Sue Moyers

ANNEX F

Appendix E

Review of the Disabled Facilities Grant

Research agreement

Name of Authority:

Coordinator's Name:

1. I understand that this research is part of a comprehensive review of the delivery of housing adaptations and disabled facilities grants across England.
2. I understand that my identity and that of the authority will be protected and that my real name, or that of the authority, will not be used in any research report or articles written about this research.
3. I agree to coordinate and facilitate the completion of the research questionnaire.
4. Anything said in the questionnaire will be used only for the purposes of this research study.

Signed: _____

Date: _____

For more information contact:

Sue.Moyers@bristol.ac.uk

Sue Moyers, School for Policy Studies, University of Bristol, 8 Priory Road, Bristol BS8 1TZ

Telephone: 0117 954 6732

ANNEX G

The diverse nature of the housing association sector and its regulators

- G1 The housing association sector is so diffuse that it is difficult to incorporate it into strategic thinking while treating it as a whole. It ranges from national organisations with over 40,000 properties in perhaps 100 different housing authority areas¹⁰⁷ to tiny local co-operatives with just 30 properties. Some of these organisations have large unsecured reserves and can afford to fund adaptations; others – especially newer associations (which includes most black-led associations) – are not at all wealthy. Half of the largest 200 housing associations are now Large Scale Voluntary Transfers – associations formed by the transfer of former council properties to a (usually newly formed) housing association, and these may or may not have included funding for adaptations in their business plans. Strategically, Large Scale Voluntary Transfers are much easier for local authorities to deal with as their properties are likely to be concentrated in one or two housing authority areas, but new Large Scale Voluntary Transfers can overwhelm a Disabled Facilities Grant budget, as evidence submitted to the Review has indicated.¹⁰⁸ Some tiny associations may give generous support to disabled tenants. By contrast, associations granted large sums of money to invest in new housing, as ‘partnering champions’, may allocate no money at all for adaptations, so that their tenants are left in need.
- G2 The regulation of housing associations is similarly diverse and this again impacts on the possibility of strategic planning. The power of the Housing Corporation is split between the national organisation and the regional organisations located within Regional Housing Boards and control is indirect, through performance indicators, guidance and funding allocation. Inspection is carried out by the Audit Commission, not the Housing Corporation. Local authorities also have an influential role through their control of land and planning and their choice of housing association partners. The inspection on implementation of the Part M regulations is not always in their hands, however, and is in many areas extremely weak.¹⁰⁹
- G3 What funding there is, is now available only to associations with insufficient unsecured reserves to pay for the adaptations themselves. Different regions have other, additional rules but there is a general experience (perhaps by default) of non-information to associations. In most regions¹¹⁰, housing associations believe all Housing Corporation funding has been withdrawn or is too difficult to obtain.¹¹¹ Evidence from local

¹⁰⁷ “Registered Social Landlords who work across different local authorities have great problems.” Manager in large housing association: interview for College of Occupational Therapists publication ‘Minor adaptations without delay’, 2005 forthcoming. This was said because of the differing attitudes to funding DFGs for housing association tenants that are found in different authorities.

¹⁰⁸ Cambridgeshire County Council to Yvette Cooper.

¹⁰⁹ Imrie (2004).

¹¹⁰ London is the exception.

authorities in some regions also refers to the sudden withdrawal of all Housing Corporation extra support for adaptations. The result impacts badly on tenants.

¹¹¹ Evidence from forthcoming (2005) College of Occupational Therapists/Housing Corporation research report on delivering minor adaptations in housing associations.

ANNEX H

Estimating the impact of options for change

- H1 The impact of a range of options for changing the Disabled Facilities Grant was estimated using data supplied by a number of local authorities. This Annex summarises the approach.
- H2 As a first stage data provided by Bristol City Council on enquiries received between 1/4/01 and 31/3/04 were used to estimate the impact of a range of policy alternatives focused on altering the parameters of the existing test of resources or altering the range of applicants to which the test of resources applies. A request for access to a similar dataset, suitably anonymised, was sent to other local authority users of the FLARE database system. This would allow a similar analysis to be conducted on local authorities operating at different scales and in different circumstances.

THE DATA

- H3 The data request comprised a standard list of variables relating to the nature of each application, each applicant's circumstances and the applicant's financial circumstances. The response to this request was mixed. Some local authorities were unable to assist because of pressures on time or resources. Where local authorities were able to supply data they were not all able to meet our request in full for a number of reasons:
- Some were not, for either technical reasons or as a result of their concerns over confidentiality, able to supply information on the applicant's financial circumstances.
 - Few could offer sufficiently comprehensive data on the nature of the works to allow us to differentiate the type of works.
 - Some had not been using the software since 2001 and therefore records could not be offered for the full period.
 - Some structured their data around completions rather than enquiries, and could supply information only on those enquiries that were carried through to completion during the period.
 - Information on the components of benefit income, and in particular on the tax credits received, was not typically stored, which limited the scope for examining the impact of changing the components of income taken into account in the Test of Resources.
- H4 More generally, the information available for analysis is constrained by the information needed for the current test of resources, which commercially available software often

stores in aggregated form. Administrative systems only collect and store information needed to operate within the current policy framework. This means, for example, that available data do not allow us to analyse the impact of switching the test of resources to focus on the incomes of the disabled child only. It also means that in order to operationalise some of the options of interest – such as any system that takes account of actual housing costs rather than the standard housing allowance of the current system – requires data from an external database to be incorporated into the analysis.

IMPACTS UPON EXISTING RECIPIENTS

H5 The first stage in assessing the impact of change is to establish the baseline position by replicating the test of resources using the data supplied. The parameters of the test of resources were then manipulated and the impact on each applicant's contributions, and the change in net grant required as a consequence, estimated. Our estimates can only take into account the financial data provided and the rules of the test of resources. It cannot take into account systematically other factors such as local policy variations or an applicant's grant history which will shape the precise level of contribution for which they would be liable. In the minority of cases where applying the test of resources to the data did not replicate the contribution reported by the local authority for consistency we adopted our estimate of the 'baseline' level of contribution from which to assess change arising from an alteration to the system.

Raising the grant limit

H6 The only variation to this method was in respect of options to raise the grant limit. It is only in cases where discretionary grants were paid above the grant limit that it is possible to make an estimate of the impact of this policy change. In other cases, administrative systems store both cost of works and gross grant as equivalent to the grant limit, with local authorities not always recording the actual cost of works as greater than the grant limit for large adaptations where this was the case.

H7 In order to measure the impact of raising the grant ceiling, an artificial baseline was constructed by restricting the gross grant available to £25,000 and then recalculating the applicants' contributions on the assumption that they would be required to pay the difference between the new grant ceiling and the gross grant actually paid. The impact of increasing the grant ceiling, and consequently reducing the applicants' contributions, can then be estimated.

H8 It is important not to overstate this issue. Only a small proportion of existing recipients receive grants that come near to the grant limit, and the number receiving discretionary grants beyond the limits in the local authority data to which we have access is very small. However, it is not possible to say to what extent a more generous grant regime would have led to more substantial grants because works are being tailored – more specifically, restricted in scope – in order to fall within the boundaries of the current framework. Similarly, it may be the case that the cost of works for those cases that did not proceed under the current system would on average be larger than the average for those that did. Both of these possibilities are plausible, but data available does not allow estimation of their significance. Hence, the estimates of the impact of this change should therefore be treated with a degree of caution.

Enquiries that did not proceed

- H9 Estimating the impact of changes to the test of resources on applicants who made enquiries but did not proceed is central to this exercise. The key piece of information recorded consistently by local authorities in these cases is the applicant's assessed contribution. While information on type of works may be recorded, information on the size of grant that would have been required is not.
- H10 The method used to assess the impact of change must therefore be driven by assessing the impact of changing applicant contributions. Our method relies on two observations:
- A significant proportion of cases for which the applicant's contribution is assessed as zero do not proceed, for a variety of reasons – it would therefore be an overestimate to assume that all applicants whose contributions are reduced to zero by a change in policy would proceed as a consequence.
 - As an applicant's contributions increase, the probability of a case proceeding reduces, with a significant drop in the rate at which cases proceed once contribution exceeds £4,000.
- H11 The method employed was as follows: applicants' contributions were coded into four bands (zero, £1–£4,000, £4,000–£25,000, £25,000 plus) for both the baseline case and the option under consideration; the number of non-proceeding cases for which the contribution moved to a lower band was calculated; the proportion of these cases that would proceed under the alternative policy was estimated; these cases were taken to proceed at the same average level of net grant as the cases with contributions in that band that proceeded under the current regime.
- H12 Table H1 provides an example of the method of calculation, using illustrative data. Here, 200 currently non proceeding cases are redistributed in terms of their revised contribution to the cost of work arising from one option for change. Under this option, the number of non proceeding cases who would make no contribution rises from 140 to 150. These additional 10 cases are therefore more likely to proceed under the option compared with the baseline current system (under which they would need to make a contribution). The model predicts that 7 (70%) will do so at an average cost of £7,500 resulting in a total additional support of £52,500 for these cases. The total increase in grant taking all currently non proceeding cases whose contribution would fall is £60,450.
- H13 This method rests on the assumption that profile of works required for the cases that do not proceed in the baseline case is similar to the profile of those that do, the only difference being the size of the required contribution. We noted above that this might not be the case, but that no data are available from administrative systems upon which to ground an alternative. We therefore proceeded on the basis that it was a plausible general assumption, but other evidence gathered during this research indicated that those adaptations for children that do not go ahead are significantly larger on average than other types of adaptation. As a consequence, in estimating the impact of exempting children's cases a larger net grant figure of £12,100¹¹² was used, rather than an average derived from cases more generally.

¹¹² This figure is based on the median cost of adaptations for children given in the nation Survey for this research

Table H1 Estimating the impact of policy change on non-proceeding cases: an illustration

Contribution band	Current System: Cases not proceeding	Alternative option: Cases not proceeding	Change	% of additional cases proceeding*	Average net grant (£)	Impact on grant
Zero	140	150	+10	70%	7,500	52,500
1–4,000	45	48	+3	50%	5,300	7,950
4,000–25,000	13	1	–12	10%	8,200	–
25,000 plus	2	1	–1	0%		–
Total	200	200				60,450

Note: * This percentage is derived from the proportion of cases in each category that proceeded in the baseline

GROSSING UP

- H14 The grossing process to obtain national estimates of the impact of changes has two components or stages: the first is based on the current level of enquiries; and the second considers additional needs that may not be reflected in current enquiries.
- H15 To gross from the sample of local authorities to an estimate of the impact at the level of the country as a whole a simple algorithm is used based on population figures drawn from the 2001 census. The 12 local authorities accounted for around 4% of the population resident in England, ie their detailed information on enquiries can collectively be considered to represent 1 in 25 of all enquiries. This formed the basis for determining the multiplier to make national estimates.
- H16 The 12 local authorities themselves account for a little under 3.5% of all authorities, suggesting that as a group they were relatively more populous authorities. This is perhaps not surprising as the sample included two London Boroughs and two metropolitan boroughs. However no further bias adjustment was practical to make allowance for whether these 12 authorities differed in the enquiries received and how these were dealt with from a national pattern.
- H17 When a piece of analysis relied upon variables that were not supplied by all authorities the relevant subset was used and the multiplier used to scale up to national estimates was adjusted accordingly.
- H18 In addition to grossing up the impact upon enquiries that were recorded by the sample local authorities there is the question of households who do not currently come into contact with the DFG and are not therefore having their needs met. The size of this group is of major significance to estimates of the overall impact of changing the way the DFG test of resources operates.
- H19 However, assumptions around additional demand can be made only on the basis of rather fragmentary information. ODPM analysis of the EHCS indicates a significant level of unmet need for adaptations to address self-reported problems. The local authorities responding to the national survey carried out as part of this research also indicated that current budgets fell significantly short of the level of resources that they estimated would be necessary to address unmet needs. The national survey data suggested that

an increase of 110% over current budgets would be necessary to deal with unmet need in the survey localities.

- H20 In cases where the change to the test of resources could be taken to apply to all those with unmet need – for example, abolishing the test of resources entirely – then for modelling purposes we aimed to combine the number of enquiries that didn't proceed with an estimate of unmet need to represented 110% of the caseload currently processed by the case study authorities. The underlying assumption is that the profile of works in these cases is similar, but that their personal characteristics – principally the proportion of cases where the applicant will have to make a contribution – differs. This is the caseload that might come into the system: it would be inappropriate to assume that all such cases proceeded, even if households were required to make nil contribution.
- H21 Where a change is only relevant to a subset of those households who did not proceed or with unmet need then for modelling purposes adjustments were made to approximate the likely level of induced demand. It would overstate the case to assume that such a change would result in all households with unmet need coming forward. To some extent this would be influenced by the effectiveness of marketing and publicity associated with the change.

ANNEX J

Disability Housing Registers

The Bristol Research team are indebted to Virginia Shaw, Director of HoDis, and member of the Review Group, for the information in this annex.

J1 A disability housing register (DHR) is:

1. a register/database of accessible (purpose built adapted and adaptable) property
2. a database/register of disabled people who require (accessible) housing
3. a service of matching people to available property.

The third criterion is the defining one. The first two criteria are clearly crucial and the more complete the information that they include, the better. However, it is possible to set up a DHR at any point, whatever the level of detail in the databases/registers, and achieve improved matches. Though many local housing authorities claim to operate DHRs they actually simply have either 1. or 2. or both. If this is the case, they are registers of adapted housing and not DHRs.

J2 There are several good reasons why DHRs should be set up:

- to be better able to match the housing needs of disabled people with available accommodation
- to make better use of existing resources
- to reduce the number of empty properties
- to improve the turn round time for letting accessible housing to people who need such accommodation
- to avoid unnecessary spending on adaptations
- to build up accurate information about the location and characteristics of existing accessible housing
- to identify more accurately the housing needs and preferences of disabled people
- to identify the locations where disabled people would like to live and where some housing could therefore be built for disabled people
- to predict more accurately the demand for housing for disabled people in particular localities where housing is planned.

- J3 The best way to maximise the potential of a DHR is for it to operate within the allocations policy(ies) of the local authority and housing associations and for the allocations policy to use a social model approach. This would mean that someone who has a medical condition which necessitates and would benefit from a move to alternative accommodation is given priority for rehousing but is only allocated wheelchair/adapted housing when such housing is actually required.
- J4 When setting up a DHR, a number of issues should be addressed:
- application forms and procedures (the mechanisms for collecting and recording information).
 - method of housing needs assessment to be used.
 - IT development and support.
 - Quality of information held by housing providers.
 - Survey of housing providers.
 - Publication of a directory of housing provision and maximising its accessibility and availability.
 - Regular reviews, in order to keep information up to date.
 - Training needs: DHR policies and procedures; induction programmes; disability equality training.
 - Publicity and promotion.
- J5 Such services have been established in a number of locations (for example, Sheffield, Bradford, Leicestershire, Leicester city, Reading and Glasgow), sometimes as part of Disabled Persons Housing Services. The commonsense argument surely is won and the economic case is becoming well established. For example, in Bradford, £610,000 in adaptations, hospital discharge and support costs were saved in 2003–04 and Reading have saved £218,000 a year making an average of one match per month.

Material extracted from Shaw, V. (2005) *A Perfect Match?* Second edition, York: HoDis and Housing Corporation.

The report provides an independent evaluation of the Disabled Facilities Grant (DFG). Drawing on stakeholder views, survey results and modelling of available data, the authors provide their key findings and recommendations for change. Their proposals include immediate changes to the DFG, alongside wider strategic issues that need to be considered at national, regional and local levels to provide fairer and effective support that will help foster independent living for disabled people.

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