

REPORT TO: Executive Board

DATE: 21st February 2008

REPORTING OFFICER: Strategic Director Health and Community.

SUBJECT: Housing Adaptations – Joint Working With Registered Social Landlords.

WARDS: Borough wide

1.0 PURPOSE OF REPORT

1.1 To seek approval to develop a joint funding agreement with Registered Social Landlords (RSLs) to fund future housing adaptation works in their property utilising Disabled Facility Grant (DFG) resources, and to provide financial assistance to RSLs to deal with their existing backlogs.

2.0 RECOMMENDATION - That

- 1) the Board agree in principle to the development of a joint funding agreement as described in the report;**
- 2) a further report be brought to Board to agree the final joint funding agreement, and;**
- 3) up to £295,000 unspent DFG resources in 2007/08 be used to support RSLs to deal with their housing adaptations backlogs.**

3.0 SUPPORTING INFORMATION

3.1 Subject to statutory eligibility and means testing criteria, DFGs are a mandatory grant available to both owner-occupiers and private and public sector tenants. Whilst RSL tenants have always had the legal right to apply for Disabled Facilities Grants, the inadequate level of funding from Government for this area of work has meant that the Council has for many years had to focus its resources on private sector applicants, with RSLs endeavouring to fund housing adaptation works for their tenants. This position, whilst not replicated in all authorities, is not uncommon.

3.2 Whilst a small adaptations fund was historically available to RSLs from the Housing Corporation, it was never adequate to meet demand, and with other competing priorities such as investment needed to reach the decent homes standard, RSLs have struggled to provide necessary funding to match demand. Backlogs have arisen and it is currently estimated that there is a backlog of over £1

million adaptation works in the RSL stock in Halton.

- 3.3 A recent Government review of the DFG framework acknowledged the inconsistent approach amongst local authorities and RSLs to funding this type of work, and as a consequence this small Housing Corporation fund has now been rolled into the national DFG budget which is distributed annually to local authorities.
- 3.4 Although Government funding of DFGs has doubled over the last 10 years, research recently undertaken on behalf of the NW Regional Assembly highlights that there is sufficient demand within the North West alone in financial terms to spend nearly the entire national DFG budget, and that demand is likely to increase due to demographic trends.
- 3.5 The Governments review document fails to address the funding shortfall, but does advocate the development of joint funding agreements between Councils and RSLs at the local level, to share the burden, provide clarity about who funds what, and to provide a fairer service to clients.
- 3.6 Against this background work has been ongoing for the past year to improve the effectiveness of Haltons adaptation service, by streamlining processes, identifying and eliminating duplication and system blockages, and by amalgamating the three teams of staff involved in the process.
- 3.7 One early outcome of this is that waiting times, both for initial assessment by the Independent Living Team (ILT) and then for construction works to start, have both significantly reduced for private sector clients. The waiting list for ILT assessments has reduced from 407 to 36. The Home Improvement Agency waiting list has reduced from 50 to 17, and waiting times for cases to be actioned following receipt of an ILT referral has reduced from 10 months to 2. These achievements will improve capacity to fully spend the Disabled Facilities Grant budget in future years but came too late to have this impact in the current year.
- 3.8 Whilst the service for private sector clients has clearly improved, some RSL tenants are experiencing long waits for service. Council officers have therefore been exploring with RSLs what can be done to improve the situation. Essentially there are two issues – how to tackle their significant existing backlog, and how to address future applications so that backlogs do not increase.
- 3.9 There are three options –
 - 1) No change – this would not address the issue of the large backlog of adaptation works in the RSL sector, and could result in increasing numbers deciding to submit formal DFG

applications, which the Council would have to fund in full.

- 2) Offer DFGs to all irrespective of tenure – this could be a very expensive option, and would be foregoing potential financial contributions that RSLs would be willing to make.
- 3) Develop a joint funding agreement with RSLs – the intention would be that future RSL adaptations be processed through the formal DFG route, but that RSLs make an agreed contribution to the costs, perhaps varying according to the value or type of work.

3.10 The recommended approach is to pursue option 3, as the most cost effective way to deal with the problem, and one that sits well with developing Government guidance. Interestingly both Liverpool and Wigan Councils, who previously took a similar approach to Halton, are developing similar joint funding arrangements, and St Helens has for the last few years had cost sharing arrangements with some RSLs. A number of other authorities, particularly those with a small RSL stock, have always fully funded DFGs for RSL tenants.

3.11 An additional measure is proposed to start to reduce the backlog. The DFG budget is forecast to under spend by £295,000 this year. Despite approving about 25% more schemes than previous years, the average cost per scheme has significantly reduced due to far fewer large, high cost schemes being required. Additionally spend has been constrained by the shortage of suitable experienced contractors to undertake works. There is therefore the opportunity, as a one off initiative, to provide funding to the RSLs to deal with some of the oldest outstanding cases. There will not be sufficient time left this financial year to achieve 100% spend, so agreement would be needed to carry the resource forward to 2008/09.

3.12 An initiative of this type would, as well as securing adaptations for vulnerable people who have endured long waits, also act as a strong incentive for RSLs to co-operate in developing a joint funding agreement, and other aspects of joint working such as joint procurement of equipment, and the development of an adapted housing register.

4.0 **POLICY IMPLICATIONS**

4.1 Providing disabled facilities for RSL tenants through a joint funding agreement will be a new policy approach.

5.0 **OTHER IMPLICATIONS**

5.1 The allocation of capital resources from the Regional Housing Pot continues to reduce year on year, and providing additional resources for RSL adaptations will reduce the level of funding available for

other housing purposes.

- 5.2 Should housing resources continue to diminish at the same rate as recent years, and demand for DFGs grow due to the demographics, then within a few years support may be required from the Council's general capital resources to maintain this approach without significant waiting lists.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children and Young People in Halton**

Disabled children in RSL properties are amongst those who would potentially benefit from the recommended approach, through quicker delivery of housing adaptations.

6.2 **Employment, Learning and Skills in Halton**

None.

6.3 **A Healthy Halton**

More timely provision of housing adaptations will help to maintain the chronically sick and disabled in their own home, and minimise the risk of unnecessary admission to hospital or residential care.

6.4 **A Safer Halton**

None.

6.5 **Halton's Urban Renewal**

None.

7.0 **RISK ANALYSIS**

- 7.1 The most likely outcome of failing to address the issue of the large backlog of RSL adaptations is increasing numbers of RSL tenants applying to the Council for a DFG, and in the absence of any cost sharing agreement, the Council would bear the full cost.

- 7.2 The potential financial demands of developing a joint funding approach could be greater than available resources. However, the service will have to be managed within the usual budgetary constraints. This may lead to waiting lists but at least this would be fairer since all clients would be affected equally, irrespective of tenure.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 The recommended approach will be more equitable for disabled RSL tenants who have been disadvantaged by lack of resources in the past.