



## **SCRUTINY REVIEW OF Disabled Facilities Grants**

To: Scrutiny Management Team

Date of meeting: 23<sup>rd</sup> January 2018

Notes of: - Paul Lloyd Environmental Health Manager

### **BRIEFING NOTES**

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#### **Background**

Disabled facilities Grants are a mandatory grant provided under the Housing Grants Construction and Regeneration Act 1996. The act is prescriptive in what adaptations can be provided using this funding and sets out the process of referral and application.

Referrals for disabled facilities grants are sent to the Council following an assessment by an Occupational Therapist. The Occupational Therapist confirms that there is a need for an adaptation to the home and that the adaptation is necessary and appropriate. Once the Council receives the referral it must satisfy its self that the adaptation requested is reasonable and practicable within the dwelling.

The maximum funding available for a disabled facilities grant is set by the "The Disabled Facilities Grants (Maximum Amounts and Additional Purposes) (England) Order 2008" and is currently £30,000.

The level of funding for the provision of Disabled Facilities Grants is set by Central Government annually and the funding is received from Lancashire County Council from the Better Care Funding it receives. The allocation to the Council in 2017/18 was £835,572. Following the budget in November 2017 the Government announced additional funding for Disabled Facilities Grant for the current financial year. Pendle received an additional £75,815.

The Housing Renewal Grants Regulations 1996 places a duty on the Local authority to carry out a Means Test on applicants for Disabled facilities grants to determine whether they have to make a contribution towards the cost of the work. Applications from Children are not subject to a means test.

The Regulatory Reform Order (Housing Assistance)(England and Wales) Order 2002 allows a local authority to offer discretionary grants for any purpose including adaptations providing that the Council have a published policy regarding this assistance. The Council

does not currently offer discretionary grants for adaptations outside the scope of the mandatory grant or where there is a funding shortfall.

## **Current Position**

The Council currently have 102 referrals for Disabled Facilities Grants. We are currently dealing with referrals made in October 2016. The estimated cost of providing adaptations to applicants on the waiting list is £966,000. Any reduction in the funding we have available to facilitate these grants will further add to the length of time that applicants have to wait for their adaptation.

We have approved 66 grants in this financial year and committed £671,383 and by the end of the financial year we expect to have over committed the total funding available for the year.

We operate a home improvement agency to assist applicants in navigating the application process. Currently the fee for this service is 12.5% of the cost of the work or a minimum fee of £250. However this is currently under review as we appreciate that the fee is relatively high when a maximum award is made.

The agency manages the whole process from completion of the application, obtaining estimates, supervision and management of contractors to completion of the work.

Applicants are free to choose whether to use the agency service or not. Applicants who decide not to use the services of the home improvement agency are currently charged a fee of 7.5% of the cost of the adaptation as we still assist in the completion of the application form, produce the schedule of work and carry out some light touch contractor supervision.

In cases where the cost of the work exceeds £30,000 the fees are calculated on the £30,000 maximum grant and not the cost of the adaptation. The maximum charge for this service is £3750 and all fees are eligible for grant funding.

Whilst this fee may be higher than Burnley Borough Council they do not offer an agency service and charge a flat fee of £960 for every grant they approve. However, if you look at neighbouring authorities that offer an agency service our fees are the same and in one case lower.

The majority of work carried out as part of a disabled facilities grant is exempt from VAT. In the case of an application where a bedroom has to be provided that element of the work is subject to VAT at 20%.

The rules governing this are contained in VAT notice 701/7. The Council are unable to recover the VAT element of a Disabled Facilities Grant because the supplies of goods and or services are to the applicant and not the Council.

In the financial year 15/16 the Council approved 4 maximum grants of these 3 required additional funding. In the financial year 16/17 we approved 8 maximum grants which all required additional funding varying from £300 to £32000. However, in at least 4 of these cases they received top up funding from Lancashire County Council.

Lancashire County Council have confirmed that funding is still available for top ups albeit that the criteria is strict.

Town Hall,  
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Background Papers:       Housing Grants Construction and Regeneration Act  
                                  The Disabled Facilities Grants (Maximum Amounts and  
                                  Additional Purposes) (England) Order 2008

Ref:

Date: 15<sup>th</sup> January 2018