

Agenda Item No:

Report No:

Report Title: Scrutiny Review: Disabled adaptations to properties

Report To: Scrutiny Committee

Date: 17 June 2010

Ward(s) Affected: All

Report By: Director of Finance and Community Services

Contact Officer(s): David Heath, Head of Audit and Performance

Purpose of Report:

To present to Councillors the report on the review of the measures to ensure value for money in the provision of disabled adaptations.

Officers Recommendation(s):

- 1** To receive the main report on the review of disabled adaptations (at Appendix A).
 - 2** To note the overall opinion that the Council has sound arrangements in place to achieve best value in the disabled adaptations service (in this covering report and Section 2 of the main report).
 - 3** To note the areas of future action to achieve further economies.
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Reasons for Recommendations

- 1** The Scrutiny Committee has the power to review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or a particular service area.

Background

- 2** At the Scrutiny Committee meeting on 29 January 2009, Councillors considered Report 18/09 on the Service Budgets and Capital Programme for 2009/10. In discussions on the Housing portfolio, Councillors sought assurance that there are adequate means to ensure that the Council receives best value from the significant amounts spent on Disabled Facilities Grants (DFGs).
- 3** The Director of Planning and Environmental Services (DPES) agreed that a review by Internal Audit would be a way of providing the necessary assurance. The Director of Finance and Community Services (DFCS) supported this proposal and asked Internal Audit to examine the administration of disabled adaptations.
- 4** The outline brief for the review was agreed, and the review was begun in May 2009. In summary, the aim of the review has been to identify the procedures

and controls that help to ensure value for money, and to determine whether it may be possible to achieve further economies.

- 5 On 10 September 2009 the Scrutiny Committee received a report on the progress of the DFG review. The Scrutiny Committee sought clarification on a number of issues and raised some additional questions. These points, together with the areas in the original review brief, have been addressed by the review.
- 6 A draft review report was presented to the Corporate Management Team (CMT) on 10 February 2010. The report has been updated to reflect the CMT decisions and the subsequent work that has been done across the Council to implement them.

Outline of the DFG review report

- 7 The main report outlines the financial and legislative background to the Council's adaptation service, and provides a detailed analysis of the procedures and controls that are employed to achieve economy in the operation of the service. The main report contains five recommendations which set out the possible options for achieving further economies.
- 8 An overall opinion and a summary of the main report are given below.

Overall opinion

- 9 From the audit work carried out as part of this review, Internal Audit has obtained substantial assurance that there are sound arrangements in place to achieve best value. The two Council departments involved in the service act in accordance with their established procedures and controls, and the review has noted the significant efforts to achieve economy and value for money. There are reasonable measures in place to ensure that adapted properties are occupied by disabled people in order to obtain best value from the costs of the adaptations.
- 10 Overall, the adaptations services provided to the residents in privately owned and Council owned properties are broadly similar, although the ways in which the national arrangements for disabled adaptations have developed mean that there are variations in the way that the Council funds and manages adaptations for the different tenures.
- 11 The Council has been looking at possible changes in the ways that disabled adaptations are funded and administered. These changes may offer scope for some cost savings, but material savings will not be possible without significant changes in policy. Any changes will require consultation with representatives of the disabled community and Council tenants, and Cabinet approval.

Summary of the main report

- 12 The findings that support this overall opinion are dealt with in more detail in the main report. The key issues from the main report are summarised as follows:

Development of LDC approach to disabled adaptations

- 13** The Council funds a more inclusive service for Council tenants than is received by the disabled occupants of privately owned properties. The Council has discretion to operate in this way but one outcome is that the LDC budget for adaptations in Council owned properties is more than the amounts in comparative neighbouring authorities, and is disproportionate to the share of the District's dwellings that are provided by the Council.
- 14** There is some scope to achieve savings in the costs of disabled adaptations for Council tenants, although the savings achieved may not be significant without a major change in policy. The report included no formal recommendation in this area, but CMT agreed that consultation with tenants' representatives will take place before any policy changes are submitted for Cabinet approval.

Council policy on adaptations

- 15** The arrangements and financial budgets for disabled adaptations in both privately owned and Council owned properties are approved by Councillors, but not in a form that enables them to evaluate the impact of the outline policy statements or to identify the differences between the respective schemes.
- 16** CMT agreed that in future a single Cabinet report would be used to obtain Cabinet approval for any changes in the way that the Council manages and funds disabled adaptations. Before that can be done it would be necessary for a formal Equalities Impact Assessment (EIA) to be carried out on the disabled adaptations service.
- 17** An initial EIA has been carried out and it has confirmed that current differences in policies mean that, in general, Council tenants receive a better service than disabled occupants of privately owned properties. This initial finding means that a full EIA is necessary to determine whether or not this approach is justified, and the full EIA will need to include consultation with representatives of the disabled community and Council tenants. Ideally, the availability of disabled adaptations should not depend on the status of the applicant.

Means testing of applications for grant funding

- 18** All DFG applications from disabled occupants of privately owned properties are means tested to determine the financial contribution that is required from the applicant. In contrast, means testing is not applied to any of the disabled adaptations carried out for Council tenants despite this option being available and recommended as best practice by the Department of Health. The application of means testing to Council tenants is unlikely to generate significant contributions (probably less than £25,000 per year) but it would ensure that the rules governing grant funding are applied consistently and fairly.
- 19** CMT agreed that it is reasonable to apply means testing to all applications for grant funding for disabled adaptations in both privately owned and Council owned properties.

Range of disabled adaptations supported by grant funding

- 20** The types of adaptation work that can be grant funded are well established, and most adaptations in both privately owned and Council owned properties are based on a range of major and minor works designed to address the specific needs of each disabled resident.
- 21** The Council undertakes an extensive programme of adaptations on behalf of its disabled tenants in a way that demonstrates that it is a responsible social landlord that responds promptly to tenants' needs. The Council is spending approximately £15,000 on minor adaptations that would be the responsibility of Social Services if they were in privately owned properties. There may be scope to test whether it is possible to shift the responsibility for meeting the costs of these minor adaptations on to Social Services. However, the costs of these minor works are not significant and there is a risk that reliance on Social Services for any portion of the minor adaptations may result in a reduced standard of service for Council tenants.
- 22** CMT agreed that the District Solicitor should explore with East Sussex County Council the scope for Social Services to accept responsibility for the costs of some minor adaptations in Council owned properties.

Provision of scooter stores

- 23** The Council is providing some disabled Council tenants with storage for mechanised scooters. There is some limited scope for savings (probably less than £6,000 per year) if this provision is ceased but it may be difficult to influence Social Services into changing their assessment policy in this area.
- 24** The draft report included a recommendation that the Council should consider no longer funding scooter stores for Council tenants. CMT rejected the recommendation, which has been removed from the report. However, it may be necessary to reconsider this decision following the consultation that will form part of the full EIA.

Selection of contractors/amounts paid for works

- 25** The Council has no current role in the selection of contractors for grant funded adaptations in privately owned properties and has little influence over the prices agreed for this work by the local Home Improvement Agency (HIA). The procedures for administering adaptations for disabled Council tenants includes a system of competitive quotations for all major works, and the system achieves lower prices than the similar works managed by the HIA. There may be scope to achieve further savings by moving the works in Council owned properties to one or more schedule of rates contracts, but is not possible to say what these savings might be.
- 26** CMT agreed that the Council will investigate the possible use of schedule of rates contracts to procure disabled adaptations in Council owned properties, and that the Council will advise the local HIA of the contractors used for disabled adaptations and of the prices paid for individual adaptation works.

Occupation of adapted properties

- 27** The Council can reclaim part of the costs of DFGs in privately owned properties if they are sold within ten years of the adaptations being completed. The Council's letting procedures contain reasonable measures to ensure that Council owned properties with disabled adaptations are occupied by disabled tenants in order to obtain best value from the costs of the adaptations.

Financial Appraisal

- 28** Changes in the ways in which DFGs and disabled adaptations are funded and administered may result in cost savings. At this stage it is not possible to be definite what these savings might be although they are unlikely be significant without a major change in policy.

Environmental Implications

- 29** I have completed the Environmental Implications Questionnaire and there are no significant effects as a result of these recommendations.

Risk Management Implications

- 30** I have completed a risk assessment in accordance with the Council's risk management methodology. The assessment has indicated that if the main report's recommendations are not implemented the following risks may occur.
- The potential for additional value for money in the disabled adaptations service will not be realised.
 - The Council may not be able to meet the demand for disabled adaptations in Council owned and privately owned properties to the same extent as has been possible in recent years.

Background Papers

Minutes of the Scrutiny Committee meeting of 29 January 2009.

Appendices

Appendix A: Audit Report: Disabled adaptations to properties