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<b>REPORT TO:</b>	<b>Housing and Community Services Committee</b>	<b>AGENDA ITEM: 8</b>
<b>DATE OF MEETING:</b>	<b>13<sup>th</sup> March 2014</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>Director of Housing and Environmental Services</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>Beverly Wagstaffe (01283 228769)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>Proposed Changes to the Council Disabled Adaptation Service</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>All</b>	<b>TERMS OF REFERENCE: HCS01</b>

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## **1. Recommendations**

- 1.1 Members approve the proposal to no longer means test Council tenants in need of adaptations as set out in the Disabled Adaptations Policy for Council Tenants, Annex A.

## **2. Purpose of Report**

- 2.1 To bring before Committee proposals to change the Disabled Adaptation Service for Council Tenants.

## **3. Content**

- 3.1 Under the Housing Grants, Construction and Regeneration Act 1996 section 19, all owner-occupiers and all tenants including Council and Registered Provider tenants are eligible for a disabled facilities grant (DFG). Although the DFG framework and mandatory aspect of the grant applies across all tenures, funding for the provision of adaptations to the Council's own housing stock is through the Housing Revenue Account.
- 3.2 In November 2002 Members of this Committee approved proposals that all disabled adaptation work (private and public) be under the control of the Strategic Housing team (previously Private Sector Housing).
- 3.3 One of the key objectives of the change was that there should be a unified service delivered across all tenures. In essence, the main change was that council tenants were means tested and if appropriate, the tenant awarded a disabled facilities grant up to the mandatory limit, currently set at £30,000.
- 3.4 In 2002 the proposal to means test was to eke out scarce resources thereby making the allocated funds go further to support more tenants. Over the past 5 years, as a result of means testing council tenants contributions have amounted to £6,430. Conversely, over the same 5 years, there have been a total of 17 enquiries that have not proceeded due to either a perceived high contribution required or the tenant not wishing to complete the test of resources form. If these 17 enquiries had proceeded

the Council would have potentially incurred an additional £68,000 in expenditure - £13,600 per year (17 x av. £4k = £68).

- 3.5 The downside of means testing and carrying out the works under a grant is that some works, e.g. bedroom extensions, are not exempt of VAT. Over the past 5 years the amount of VAT paid on DFGs for council properties amounts to £6,689. As a grant the Council cannot recover the VAT.
- 3.6 The outcome is that, in practice it is costing the Council more money in VAT than it receives in tenant contributions. Furthermore, some tenants are missing out on adaptations which would improve their lives. Therefore Members may wish to consider moving away from providing grants for council adaptations to discretionary assistance. In essence this means that a contractor would carry out the works on behalf of the Council, the Council can recover the VAT and tenants would no longer be required to contribute.
- 3.7 This change would also be in line with the Council's recent decision to introduce a financial threshold to qualify for the allocation of Council housing.
- 3.8 If Members consider that discretionary assistance is more appropriate, rather than a grant, there is a requirement under Article 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 for the Council to have an appropriate policy setting out how this will operate. The attached proposed policy (Appendix 1) refreshes the existing framework and removes the requirement for means testing.

#### **4. Financial Implications**

- 4.1 Providing discretionary assistance, as opposed to grants would potentially cost an additional £13,600 per year, funded from the Housing Revenue Account.

#### **5. Corporate Implications**

- 5.1 Providing discretionary assistance will enable more vulnerable Council tenants to assess support to enable them to remain in their own home for longer (Corporate Plan key project SP03).