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Delivery of Disabled Facilities Grants

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Report

The situation

1. In the Annual Improvement Report published in January 2011 the Auditor General for Wales identified relatively poor performance by Vale of Glamorgan Council (the Council) in the delivery of disabled facilities grants, and signalled an intention to monitor service provision and outcomes during 2011. This report presents the findings of the review.
2. Disabled Facilities Grants are a mandatory grant issued by the Council, under Part 1 of the Housing Grants, Construction and Regeneration Act 1996. They help towards the cost of providing adaptations and facilities to give disabled people better freedom of movement into and around their home, and to access and use essential facilities within it. DFGs are available to help people living in private property, either as owner occupiers or private tenants. Separate arrangements exist for those living in local authority or social housing.
3. The time taken to deliver a DFG is a key performance indicator of the Welsh Government. It is measured as the average number of calendar days taken by a local authority to deliver a DFG from the date of the client's first recorded contact with the local authority, relating specifically to an adaptation for which DFG is subsequently offered, and the completion of those works.
4. In April 2007 the Community Well Being and Safety Scrutiny Committee decided to set up a Task and Finish Group to review the shortage of Occupational Therapists in the Vale of Glamorgan, primarily to see if the waiting times for occupational therapy assessments could be reduced so that the overall waits for DFGs could be reduced.
5. In 2008 the Council included "provision of facilities at home" as an area for improvement in its Improvement Agreement with the Welsh Government, and, in its October 2009 report to the Welsh Government, referred to the above scrutiny review and business re-engineering process designed to reduce the delivery time for grants. In May 2008 the Community Well Being and Safety Scrutiny Committee was replaced with the Social Care and Health Scrutiny Committee and the Housing and Public Protection Scrutiny Committee. The review report was reported to both Committees in December 2008.
6. The Scrutiny Report made 17 recommendations and noted that these were 'cross-directorate' and would need to be monitored to assess impact. The report said 'It is vitally important that the council achieves its performance in accordance with the Improvement Agreement. Therefore an action plan should be developed and regular meetings take place in order to monitor progress and evidence achievements'. As a result, performance on the delivery time for disabled facilities grants has been regularly reported to members of the Housing and Public Protection Committee, and trends show a consistent and considerable reduction in delivery time.
7. The reported local performance for completing a DFG application improved from an average of 1,046 days in 2008/09 to 802 days in 2009/10 and to 569 days in 2010/11. While performance in 2010-11 was better than the Council's target of 690 days set for that year, the average performance across Wales in 2009-10 was 349 days. Although

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- much improved, the 2010-11 performance in the Vale is likely to be within the bottom quarter of worst performing authorities in Wales.
8. On 21 July 2011 the Public Protection Committee was advised that in 2010-11 it had taken on average 1,139 days to deliver a DFG for children and young people and an average of 544 days to deliver a DFG to adults. Latest figures offer more encouragement: during the second quarter of 2011-12, the average time taken to process a DFG application fell to 414 days.
 9. The Welsh Government believes that adaptations represent good value for money and continues to encourage such investment stating that: *“Adapting a person’s existing home is far more cost effective than that person going into residential care, or even hospital. It is estimated that for every £1 spent on adapting a person’s home from very minor adaptations, £7.50 is saved from health and social services budgets.”* (Statement by Huw Lewis, Minister for Housing, Regeneration and Heritage 16 June 2011).
 10. Information in a report (based on 2009-10 data) prepared by CEL Transform for the Welsh Government in November 2010, suggests that:
 - the Council has a higher than average DFG spend per head of population over 65 (£73 compared with the Wales average of £59); and
 - the Council has a higher than average DFG spend per head based on number of pensioners with a long term illness (£147 compared with the Wales average of £109).
 11. Welsh Government statistics on Private Sector Renewal Activity (published 7 September 2011) show that in 2010-11 the Council’s 145 completed DFGs cost in total £1.784m. This means that the average spend per grant was £12,300 - the second highest average grant spend in Wales. The Wales average in 2010-11 was £7,900.
 12. All three of these spend comparators suggest that the Vale of Glamorgan may be more generous with its use of DFGs than other authorities.

The complication

13. Delivery of Disabled Facilities Grants is not straightforward. It requires effective coordination and implementation of a range of different activities to ensure full assessment of work required is done and that correct safeguards are in place to protect against potential fraud. Because it is a mandatory grant, there are certain activities that the Council must undertake and timescales it must adhere to.
14. The Council must ensure the person making the application is eligible, undertake an assessment of the type of changes to a property needed by the disabled person, together with an assessment of whether the changes to the property are practicable. Although in 2005 the Welsh Government abolished the test of resources stage in those cases where the disabled person is under the age of 19 years, if the disabled person is an adult a full test of resources (a “means test”) has to be applied.

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15. The maximum payment permitted for a mandatory DFG in Wales is £36,000. Councils have discretionary powers to meet higher costs and to provide certain additional adaptations.
 16. Works to the property may require building regulation and planning approval, and the applicant, or, if appropriate, the applicant's Landlord, is responsible for ensuring necessary consent is obtained prior to undertaking building works.
 17. Councils can manage the process entirely in-house, or can outsource various aspects including occupational therapy assessments, architectural and design elements and contracting for the building works themselves. Some councils, including Vale of Glamorgan, offer applicants the choice of using the in-house design team, or using a private sector agent to handle the design and construction work.
 18. Given the potential beneficial impact of a DFG for applicants, the Council needs to decide how much capital funding it will make available for mandatory grants in the context of its wider priorities and having regard to its specific objectives for ensuring independent living. But the effective delivery of DFG is not only about the amount of funding made available, but also about ensuring processes are efficient and provide assurance of probity.

Conclusions

19. This review sought to answer the question **“Is the Council delivering Disabled Facilities Grants effectively?”** As a result of our work we have concluded that **the Council is not yet delivering Disabled Facilities Grants effectively, but significant changes are underway that should improve performance.** We concluded this because we found that:
 - although there have been consistent improvements over the last three years, the time taken to process a DFG is still too long and there are big differences in the time taken by the in-house team and by private agents;
 - the recent Internal Audit report rates the financial and administrative controls within the DFG section as ‘unsatisfactory’; and
 - inadequate attention has been given in the past to the strategic planning of the DFG service.
20. The Council is currently in a weak position in relation to its performance in processing DFG applications. However, we recognise that the Council in the last four years has questioned the reasons for poor performance and operational procedures, and continues to do so. We are also confident that the manager appointed in December 2010 to head the section responsible for processing DFG applications (known as the Grant Agency Service (GAS) within the Public Protection Service) has the capacity and means to analyse and improve the service.

Findings

Although there have been consistent improvements over the last three years, the time taken to process a DFG is still too long and there are big differences in the time taken by the in-house team and by private agents

21. The ten steps shown in Appendix One are typical in the consideration and award of a DFG in Vale of Glamorgan. Initial analysis suggests that the average wait for an assessment in OT is between four and 6 months (steps 1 to 5), but that it then takes a further 12 months on average to turn the OT job order into a practical result on the ground (steps 6 to 10).
22. Of the 145 grants made in 2010-11, 110 (or approximately 75%) were handled and commissioned by GAS, and 35 (or approximately 25%) were handled and commissioned by private agents.
23. The average value of the awarded grant, and the average time taken to do the work funded by the grant, varies greatly between the projects done by the in-house GAS team and the projects done via private agents. In 2010-11:
 - the average value of the DFG was around £7k for GAS and £27k for private agents; and
 - the average time taken was between 350 and 400 days for GAS and approaching 900 days for private agents.
24. The reason for this distinction is that historically private agents have undertaken the great majority of the more complex and expensive DFG work in the Vale of Glamorgan involving extension works or children DFGs, which are typically more expensive to build and tend to take longer to process.
25. There are signs that this could change: we have been advised that over the last six months GAS has taken on more complex works. Although this might be expected to reduce the average times of processing DFG applications it is too early to estimate the scale of the impact that this rebalancing might have.

The recent Internal Audit report on DFGs concluded that the effectiveness of the internal control environment was unsatisfactory

26. An Internal Audit report finalised in August 2011 focussed on steps 6 to 10 of the process. The report identified a number of deficiencies including shortcomings in formal policy and procedures to oversee the administration and delivery of DFGs.
27. DFG policy is detailed in the Council's Housing Renewal Policy, which was updated in April 2011. Flowchart procedures and documentation are also in place although they

are currently being reviewed to take into account consideration of the changes underway to improve the DFG service and to reduce the length of time cases have to wait in the system.

28. Compared to those used in some other authorities, DFG eligibility policies are more permissive in the Vale of Glamorgan. While OTs have a duty to carry out a DFG assessment if requested, they could be asked to operate within better defined and clearer boundaries. We understand that officers are currently working on eligibility criteria and guidance that will give clearer guidelines to practitioners.
29. The IA report also raised:
 - concerns about how the choice of using private agents is offered to residents;
 - problems with how disputes are resolved. In the past disputes have been addressed largely through informal discussions with officers, but now more formal procedures are being developed; and
 - a suggestion that the clock is sometimes being stopped later than it should be.
30. In relation to this last point, Internal Audit found that sometimes the clock is stopped not when the work is completed, but when bills have been finally paid. This effectively exaggerates the reported DFG processing time. Although this should not add more than 15 days to the length of the reported time, the Council has not helped itself by reporting that the DFG process is longer than it would be if the clock is stopped correctly. We have been advised that the performance data for quarters 1 and 2 of 2011-12 has been calculated using the correct closing date.
31. More widely, the report Internal Audit report concluded that the internal control environment, within which DFG applications are considered and processed, is unsatisfactory. The report refers to a *'combination of fundamental and/or substantial weaknesses where action is considered imperative to ensure that the Council is not exposed to high risks'*.
32. Procedures need to be improved as outlined by Internal Audit, and an action plan has been established, with some actions already taken, as a result of the audit report.

While little thought has been given so far to the strategic planning of the DFG service, more attention has been given to the processes involved in handling applications

33. The prime focus to date has tended to be placed on the delivery times for DFG applicants. For example the end of year public protection performance report to Public Protection Scrutiny Committee (21 July 2011) included three indicators on DFGs, all reporting on the time taken to deliver but without any narrative to explain the figures. At the same Scrutiny Committee reference was made to the WAO annual improvement report (and the concerns raised about DFGs), which the Cabinet had referred to Audit Committee that in turn referred the report to the Scrutiny Committee. The advice given to the Scrutiny Committee was that *'the issues raised by the WAO in regard to*

Disabled Facilities Grants performance be noted. It was also reported that 'issues relating to DFGs ... were being monitored on a quarterly basis'.

34. Our conclusion is that the scrutiny committee, while it receives information about DFG waits, does not routinely seek further assurances from officers about the component waits in the DFG process. Also, the scale of the difference in the length of the DFG waits between cases involving private agents and others operating through the in-house service, was unknown before the start of this short review, and is an example of the sort of intelligence that councillors need to have in understanding and tackling waiting times.
35. Another important issue for those responsible for directing the DFG system is to understand why the cost of the works done through grant is high compared with the cost in other authorities (the point made in paragraph 11). Fresh strategic thinking and good business analysis is needed if waits are to be significantly reduced, and costs brought more in line with those in other places.
36. For example, the OT team should formally calculate its assessment capacity (in terms of assessments per week) based on its knowledge of how long it takes to do an assessment and how this compares with the time taken in other authorities. It could then estimate its likely throughput based on its current staffing and its future staffing once it is up to strength. If, even with full staffing, it considers it has a shortage of capacity to do all the likely assessments, consideration could be given to recruiting additional OTs.
37. Currently, however, there is only a limited knowledge on the likely future demand for adaptations involving DFGs in the Vale of Glamorgan. The Council needs to consult with organisations and partners who represent and work with disabled people to consider the data they hold and how this might help project future demand. Without this information the Council is unable to plan how to deliver an effective strategy for DFGs and other related services.
38. While we consider there to be some strategic shortcomings in the defined purpose of the DFG service in the Council, better attention has been given to the efficiency of the sequence of DFG tasks and the sharing of information. There are, however, some potential further adjustments described in the following paragraphs, which are also shown as ideas for improvement in Appendix One.
39. Thought also needs to be given to what information should be shared at specific points in the process. For example at Step 2 – the preliminary DFG assessment by Social Services – a copy of the assessment could be passed to GAS as well as to OT to provide medium range intelligence on the nature of the demand arriving in the system.
40. Step 3 – placement on the Occupational Therapy waiting lists. At the point of referral to an OT, a letter is sent that advises the client of waiting times for assessment. They are advised that they can get updated information on this by contacting C1V (contact centre) which has access to the waiting lists and can pass further information to an OT should circumstances change.
41. At 12 August 2011 the state of the OT waiting list for cases potentially likely to result in a DFG was:

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- I. 12 adults on the OT priority waiting list (the longest wait being from 30 June – about six weeks);
 - II. 53 adults on the 'not urgent' waiting list (the longest current wait being from 16 March – about 22 weeks); and
 - III. 9 children on the waiting list (the longest current wait being from 17 February – about 26 weeks).

This information is circulated to the Social Services Management Team, and is discussed at the quarterly Strategic DFG Working Group meetings, but it is not clear whether or how the information on waiting times is used to trigger actions to shorten waits.

42. OT has its own waiting time targets in team plans, but would benefit from formally monitoring and reporting on the length of the waits for its assessment service. With this information, it would be better able to take any necessary actions to reduce its waiting times and improve its responsiveness.
43. Step 4 – OT assessment. GAS has suggested that the assessment process could be improved if the first assessment was done jointly by an OT and an officer from GAS. The OT manager, however, is concerned about the likely reluctance of some clients to discuss the reasons for their adaptations needs with a building surveyor as well as with an OT. It would be sensible to identify some cases where such issues are less likely to arise, so that the advantages (and disadvantages) of joint assessments can be more easily evaluated.
44. Some process changes are now underway. Where an initial assessment has been completed by an OT Assistant, the OT carries out their initial visit to the client jointly with the grants officer.
45. While most DFG assessments are carried out by qualified OTs, the OT team should be asked to consider whether this is always appropriate, or whether some DFG assessments could be done instead by OT assistants.
46. Step 7 – means test and benefits assessment. Compared with some other authorities, the formal means test is done quite late in the DFG process in Vale of Glamorgan. Analysis should be done of the impact of the means test on the application process. There are two simple questions that need to be answered:
 - I. how many applicants for DFGs are asked to make a contribution to (or to pay in full for) the cost of the work that's deemed needed? and
 - II. how many applicants for DFG decide not to pursue the grant once they have been told that they will be expected to make a contribution or pay in full for the costs of their scheme?
47. If, from the answer to the second question, it is clear that there is a significant fall out after the means testing, consideration would need to be given to doing the means testing earlier. For example means testing could be done between the preliminary assessment (step 2) and appearance on the OT waiting list (step 3). Means testing

earlier could save OT time¹ and GAS time later. Another option would be to carry out a means test at the same time as the first OT visit.

48. We understand that efforts are being made to bring means testing forward. Once the OT Team Manager has identified that a DFG is likely, a request is sent for a means test and a letter is sent to the client to advise of this.
49. Step 9 – design, tender and do work. Currently, for work commissioned by GAS, each job is separately spot-purchased. The Council could make better use of framework or call-off contracts with an approved list of builders. The Council has not yet introduced modern methods of procurement as an alternative to tendering that would allow contractors to offer lower quotes through some guarantee of the quantity of work they might receive. A longer term relationship might also allow them to invest appropriate resources, and develop higher standards of workmanship.
50. Basic systems are in place to monitor the performance of contractors. However, as far as we can tell, the Council has not sought feedback or formally engaged with contractors to find out how it might improve its own DFG procedures.
51. At the end of the DFG process an OT would expect to contact the client to review how they are managing with the adaptation, but there is currently no formal system for measuring client satisfaction with the DFG process through the various stages in the sequence such as:
 - assessment by OT;
 - involvement of building inspectors; and
 - satisfaction with contractors when working on site.

Thought needs to be given to how best to do this, both with schemes commissioned by GAS and by Private Agents. It would be simplest to have one system so that formal comparisons of experience across the two sectors can be made.

¹ However if the client is likely to have a high contribution following means test, they can still remain on the OT waiting list as they have a statutory right to an OT assessment. In these cases the applicant will be proceeding with an advice visit and assessment only.

Proposals for Improvement

More detail can be found in Appendix One and the Council should also have regard to the findings and recommendations of its Internal Audit review when implementing an improvement plan for the service

Proposals

P1 Improve performance by:

- Refining processes in accordance with proposals for improvement in Appendix One.
- Introducing modern methods of procurement to develop framework agreements and partnered contracts for DFG services.
- Finding out more about what customers think of the DFG process and making alterations as necessary

P2 Improve scrutiny, oversight and strategic management by:

- Adopting Internal Audit recommendations for improving administrative and financial controls and by introducing regular internal audit testing.
- Developing a wider range of quantitative and qualitative measures to enable Cabinet and scrutiny members to evaluate the delivery of the service and the outcomes for applicants.

Appendix One: Process analysis and proposals for improvement

Step	Proposal for improvement
<p>1. An interested resident (owning or renting a private property) contacts the Council saying they need practical help so they can stay living where they are. (Sometimes the first contact is made for the resident by a health professional or a social worker)</p>	
<p>2. The contact centre passes the enquiry to Social Services for a preliminary assessment. At this point the DFG clock is started by the Council.</p>	<p>A copy of the assessment could be passed to GAS as well as to OT to provide medium range intelligence on the nature of the demand arriving in the system.</p>
<p>3. The Social Services assessment team passes the processed details to Occupational Therapy (OT), with sufficient information for the OT team leader to allocate the case to one of four adult waiting lists or the childrens list. For adults, cases are place on one of two (urgent/not urgent) waiting lists for equipment, or on a waiting list for more major work likely to involve a DFG – again split into urgent/not urgent categories.</p>	<p>OT has its own waiting time targets in team plans but would benefit from formally monitoring and reporting on the length of the waits for its assessment service. With this information, it would be better able to take any necessary actions to reduce its waiting times and improve its responsiveness.</p>
<p>4. The assessments are normally done in date order by the OT team. Assessments for equipment are usually carried out by OT assistants, and those for more significant schemes involving DFGs by qualified OTs</p>	<p>There are arguments for and against assessments being carried out jointly by OTs and officers from GAS. The advantages (and disadvantages) of joint assessments should be more fully evaluated. This is being piloted, and outcomes of this pilot should be evaluated by the Strategic DFG working group.</p>
<p>5. If the DFG assessment is positive (i.e. OT accepts that there is a need to do the work being proposed), the OT prepares an outline statement of what is needed and passes this to the Grant Agency Service (GAS).</p>	
<p>6. Building surveyors working in GAS then develop the specification, as outlined by the OT, and estimate the likely cost of the work.</p>	

<p>7. Another person in GAS then carries out a means test (and benefits assessment) to check if the resident is eligible for a full grant or if he or she needs to make a contribution.</p>	<p>Compared with some other authorities, the formal means test is done quite late in the DFG process in Vale of Glamorgan. Analysis should be done of the impact of the means test on the application process.</p>
<p>8. If the resident decides to go ahead, GAS offers the resident a choice – either the work will be managed and commissioned by GAS or it will be passed over to a private agent.</p>	
<p>9. The work is then more fully designed and specified by GAS or by the private agent chosen by a resident, and put out to tender.</p>	<p>Currently, for work commissioned by GAS, each job is separately spot-purchased. The Council could make better use of framework or call-off contracts with an approved list of builders.</p>
<p>10. When the construction work is completed the clock (that generates the indicator on DFG timeless) should be stopped.</p>	<p>Ensure dates of completion of work are recorded accurately.</p>