

REPORT OF THE STRATEGIC DIRECTOR
TO THE SCRUTINY COMMITTEE
12TH FEBRUARY 2009

Review of Concessionary Fares and Disabled Facilities Grants

1.0 Introduction and Report Summary

- 1.1 The Concessionary Fares Scheme and the mandatory Disabled Facility Grants Scheme are two services which the Council, along with all other district and unitary councils, has a statutory duty to provide to residents. Both result in the Council incurring significant expenditure, a proportion of which falls on local tax payers.
- 1.2 Several Members of the Scrutiny Committee requested a report from officers to summarise the schemes and set out the financial burdens. The Committee is invited to query any aspect of either scheme and highlight any particular concerns.
- 1.3 The contact officers for this report are: Steve Bishop, Strategic Director, telephone (01235 540332); Ian Forster, Team Leader (Housing Operations) for Disabled Facilities Grants; and, Ben Watson, Senior Revenues and Benefits Client Officer for Concessionary Fares.

2.0 Recommendation

That the Committee reviews the schemes and indicates any further specific actions that are required.

3.0 Relationship with the Council's Vision, Strategies and Policies

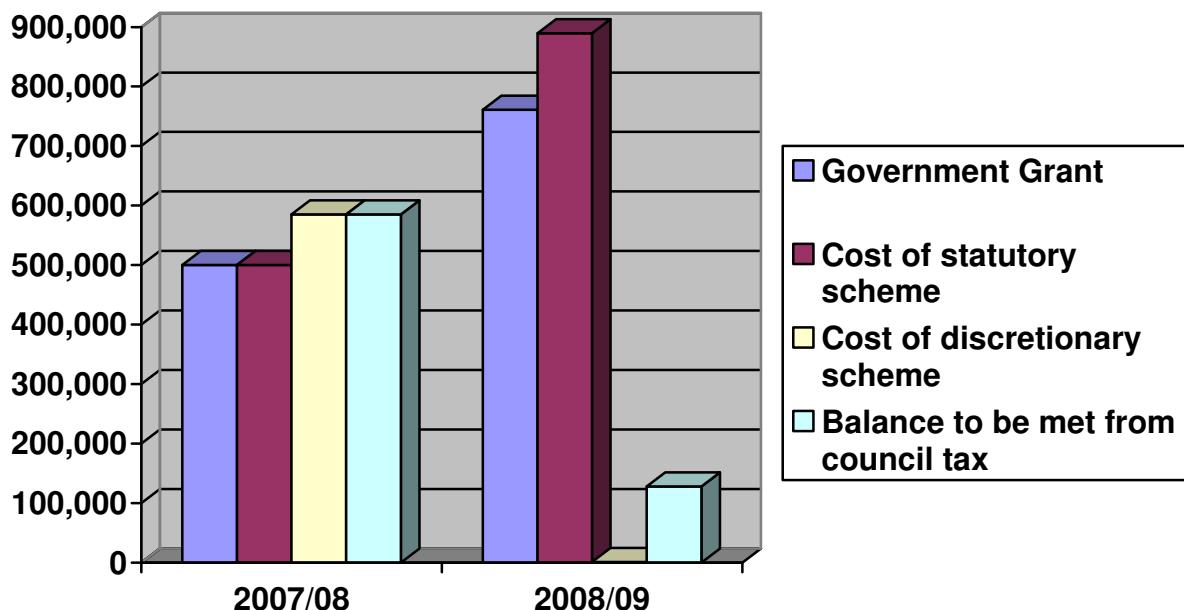
This report relates to the Council's Vision in that it supports the objective for providing and supporting high quality public services which are effective, efficient and responsive to the needs of people in the Vale.

4.0 The Concessionary Fares Scheme

- 4.1 Since April 2006 the council has been under a statutory duty to provide free bus travel for residents aged 60 and above and also for certain disabled residents.
- 4.2 Between April 2006 and March 2008 the statutory duty only required the council to provide free travel within the boundaries of the district. At its own discretion the council chose to enhance the scheme to allow free travel to and from certain neighbouring areas – Oxford City, Newbury, Swindon, Didcot and Witney.
- 4.3 The scheme was tapered back in the Autumn of 2007 to reduce the costs of the scheme. Pass holders could still travel into Oxford City (excluding Park & Ride) but could no longer travel around freely once there.
- 4.4 Since April 2008 the statutory scheme has been extended to allow free bus travel anywhere in England on "local" bus services (which excludes National Express, etc).

- 4.2 There has also been a fundamental change in the way that councils pay for the journeys undertaken. Prior to April 2008 the council paid for all journeys undertaken by holders of a Vale of White Horse DC bus pass so, for example, if a resident travelled into Oxford to do their shopping, the council picked up the cost of the outbound and inbound journeys. Likewise, if a resident from another council used their bus pass within the Vale (the council's scheme rules permitting), the issuing council picked up the cost of the journey.
- 4.3 Since April 2008 councils are required to pay for all concessionary journeys that commence within their boundaries. This means that the Vale picks up the cost of any journey that begins in the district, but no longer picks up the cost of its residents returning from other areas. Because the Vale's scheme with the discretionary elements prior to April 2008 was extremely popular, we have seen a reduction in overall costs this financial year because of the new reimbursement arrangements.
- 4.4 The statutory element of the concessionary fares scheme is supposed to be funded by the Government which has stated that it believes that the current funding arrangements satisfy this. However, it is not possible to determine how much funding the Vale is actually receiving. Before April 2006 there was a statutory half-fare bus scheme for which the council did receive funding from the Government within its Revenue Support Grant, which appears to have continued to the present day. However, the formula used to calculate each council's Revenue Support Grant uses general demographic information to cover a multitude of statutory services – it does not identify how much of the funding covers assisted travel schemes. Officers asked the relevant Government Department (Communities and Local Government) (DCLG) to quantify the funding, but the DCLG stated this was not possible.
- 4.5 When the completely free bus pass scheme was introduced in April 2006 the council received an additional £307,000 but the DCLG was unable to say how much general Revenue Support Grant funding the council was receiving in total. For 2008/09 the council has received an additional £261,000 (on top of the £307,000), but again, we cannot identify the total amount of Government funding.
- 4.6 Based upon the limited information that the council receives from the bus operators, officers have estimated the cost of the statutory element of the bus scheme to be £500,000 for 2007/08 out of total expenditure of £1,085m (the additional £585,000 being the cost to the Vale of the discretionary scheme it operated). The current predicted outturn for 2008/09 is £890,000 and whilst a very small element of this will be discretionary expenditure for companions accompanying disabled pass holders (£1,000 used in the example below), in the main it relates to the statutory concessionary fares scheme.
- 4.7 If we work on the principle that prior to April 2008 the statutory scheme was fully funded (which is far from certain and cannot be proven), the additional funding for 2008/09 would take total funding to £761,000 (£500,000 + £261,000). Based upon the predicted outturn for 2008/09, this leaves the council with a shortfall of **£128,000** which must be met by local council tax payers.

Cost of concessionary fares 2007/08 & 2008/09



5.0 Disabled Facilities Grants

Mandatory – ‘Disabled Facilities grants’

- 5.1 The Council has a statutory duty to provide grants for registered disabled persons in both private and social housing to facilitate access to and from an applicants dwelling and access to basic amenities i.e. toilet, sleeping accommodation, bathing and food. This enables residents to remain in their own home allowing them independent living.
- 5.2 The total annual amount of grant is capped by Government, e.g. in 2009/10 the Council will be able to spend up to £850,000 and receive a rebate of 60% of the costs. The Council has the power to spend above that should demand require it but will receive no rebate.
- 5.3 Grant applications are usually made upon referral from occupational therapists. The occupational therapist makes an assessment of clients needs prior to applying to the Council for apply to the assistance.
- 5.4 Grant works commissioned in the private sector are organised and inspected by the Home Improvement Agency, Anchor Trust. This is a shared service arrangement with South Oxfordshire District Council. The Vale Housing Association carries out a similar function for their tenants (excluding test of financial resources) with Council Officers overseeing, validating and auditing the whole process.
- 5.5 The Council’s proposed budget for 2009/10 is £850,000. This is the maximum level at which the Government will refund 60% of the costs, namely £510,000k leaving a net cost to the Council of £340,000. It is the officers’ opinion that, whilst demand exceeds this level, the Council can manage the demand. Social services are committed to

reducing the current waiting time which could be as long as 6 months for their initial assessment to be made.

- 5.6 In 2007/8 143 DFG grants were completed. Of these, 63 were in the private sector, 80 were for Vale Housing Association tenants.
- 5.7 Recent Government reforms are likely to have an impact upon future demand for disabled facilities grants. The maximum ceiling for grants has been raised from £20,000 to £30,000 and means testing has been relaxed for certain cases. This is likely to cause financial pressures in future years. The Government's response has not been to raise the funding granted to councils but instead to give greater freedoms to councils to manage their budgets across a range of housing issues.

Discretionary – ‘Home Renewal Assistance Grants’

- 5.8 The Council has a range of assistance measures to assist qualifying homeowners resolve unsatisfactory housing conditions. Currently the award of grant is primarily for energy incentive grants, ‘Warm Front’ top-up grants and essential repairs grants.
- 5.9 Award of financial assistance by award of grant is driven by the following principals.
 - Owner’s circumstances can vary considerably. These services are targeted and prioritised on helping the most vulnerable individuals and dealing with the homes most in need of repair and thermal improvement.
 - With the exception of the energy incentive grant financial assistance is strictly limited to those qualifying by virtue of being on a means tested benefit, or are subject to the prescribed test of resources which measures applicants ability to contribute to the cost of any approved scheme of works.
- 5.10 The grant policy aims to provide a range of assistance to homeowners who are not able to resolve housing disrepair issues themselves. The strategy makes the presumption that there is normally considerable equity in a property and that financial assistance will normally be in the form of a loan charged against the property where significant works are required costing over £5,000.
- 5.11 The budget also provides for the costs of the Anchor Home Improvement agency, a shared service with South Oxfordshire District Council.
- 5.12 The budget for 2008/2009 was set at £108,000 and to date has been utilised as follows:

Funding of home improvement agency	£40,000
Funding costs of flexible home improvement loans	£4,000
143 energy incentive grants	£7,150
17 energy top up grants	£11,832
14 essential repairs grants	£19,049

- 5.13 The proposed budget for 2009/10 is £140,000. The proposed increase this year reflects the increase in demand for grants for energy conservation measures. This is the main reason why houses in the Vale fail the Government's Decent Homes Standard.

- 5.14 The eligibility criteria for the Home Renewal Assistance Grants scheme are contained in the table appended to this report for the Scrutiny Committee to consider.

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DEPUTY DIRECTOR (HOUSING & COMMUNITY SAFETY)

WILLIAM JACOBS
HEAD OF FINANCE

STEVE BISHOP
STRATEGIC DIRECTOR

VALE OF WHITE HORSE DISTRICT COUNCIL- HOUSING RENEWAL ASSISTANCE

Type of Assistance	Amount/Method	Eligibility	Conditions	Repayment	Comment
Empty Homes Grant	Grant up to £10,000 maximum. Maximum eligible expense £20,000	In same ownership for 2 years. To bring back into use as property that has been unoccupied normally for two years and there are valid reasons to encourage its return to useful housing stock.	To be made available for letting for 5 years - not holiday letting. All relevant works to make property fit, have adequate insulation and heating works carried out. 50% of cost of eligible works Nomination rights for use by the Council where appropriate.	On first transfer of title or breach letting condition.	This Grant is to encourage owners to return properties into use and to increase supply to rented stock with nomination rights where appropriate.
Park Homes Grant	£750	When aged 60 and cannot fund works when applying the Disabled Facilities Grant (TOR) Nil contribution condition or criteria for Warm Front. To assist with repairs to a park home/or to comply with longstanding breaches of site licence conditions that they are responsible to remedy.	To maintain standards in park homes.	Not applicable.	To maintain standards on park homes.
Energy Incentive Grant	£100 maximum	To facilitate uptake of schemes promoted by Thames Valley Energy Centre and energy suppliers discount schemes.	To target groups.	None	Small leverage for significant outcome
Energy Grant Top up	Up to £1000 per qualifying applicant.	"Warm Front" clients who are not eligible for the heating component where there is a justified need for heating measures.	None	None	

VALE OF WHITE HORSE DISTRICT COUNCIL- HOUSING RENEWAL ASSISTANCE

Type of Assistance	Amount/Method	Eligibility	Conditions	Repayment	Comment
Relocation Grant	40% of Mandatory Disabled Facilities Grant.	<p>Test of Resources as prescribed by legislation.</p> <p>Owner/occupier and private sector tenants willing to move to a more suitable property when it is not cost effective to make adaptations for a disabled occupant in the existing property.</p>	Prescribed by legislation	None	This grant is to provide an option to achieve a cost effective scheme that would minimise building costs.
Mandatory Disabled Grant	£25,000 maximum) grant (statutory	Test of Resources as prescribed by legislation.	Prescribed by legislation	None	
Discretionary Disabled Facilities Grant	£5,000	<p>As prescribed for mandatory DFG's (TOR) to assist with schemes recommended by Occupational Therapist for example;</p> <p>Provision of safe plan areas</p> <p>Adaptation to enable specialist care/treatment other relevant works for energy measures.</p> <p>GP supporting the need where a medical condition exists but applicant not eligible for Warm Front.</p>	<p>Prescribed by legislation</p> <p>Not eligible for Warm Front.</p>	None	<p>This will enable schemes outside the mandatory scheme to be considered where supported by Occupational Therapist.</p> <p>.</p>

VALE OF WHITE HORSE DISTRICT COUNCIL- HOUSING RENEWAL ASSISTANCE

Type of Assistance	Amount/Method	Eligibility	Conditions	Repayment	Comment
Repairs Grant	£750	<p>Owner/occupier with 3 year residency who cannot fund works when applying Test of Resources as prescribed by legislation - nil contribution or criteria for warm front (ie income related benefit/low income) (excluding fees to Home Improvement Agency).</p> <p>To assist with:-</p> <ul style="list-style-type: none"> • Minor repairs and improvements to assist someone over 60 to stay in own home • Essential works to maintain the property in a safe and weatherproof condition • Energy measures except where an alternative grant is available • Security works for someone over 60 	<p>No more than two grants in any 3 year period, not normally less than 12 months apart.</p> <p>Where refused by insurance. Where works can be completed within grant amount. No grant given where works so severe to require a loan. All relevant energy measures through various schemes are expected to be carried out.</p>		Small scale grants to support the small repairs scheme.

VALE OF WHITE HORSE DISTRICT COUNCIL- HOUSING RENEWAL ASSISTANCE

Type of Assistance	Amount/Method	Eligibility	Conditions	Repayment	Comment
Essential Repairs Grant	<p>Maximum of £10,000 over 3 years.</p> <p>Any grant over £5000 repayable</p>	<p>Applicant has a disability which will be assisted by the work required</p> <p>Has a repairing obligation in law, and</p> <p>Has works that are not covered under any insurance claim, and</p> <p>Applicant has lived in the house as main residence for 5 years prior to application, and</p> <p>Has circumstances that make them eligible for the governments warm front grant or a nil contribution under the DFG scheme</p> <p>Where the applicant has been refused or does not qualify for equity release through the "House-proud Scheme" and would be subject to enforcement under the Housing Acts.</p> <p>Where an applicant meets these criteria, grant assistance may be given with a view to making the property fit, achieve a good overall standard of repair and eliminate major hazards under the Health and Housing Rating System.</p> <p>Substantial works are required to execute works to bring property up to the fitness standard</p>	<p>Quotations based on unapproved specifications will not be acceptable</p> <p>At least two quotations are required and must be itemised</p> <p>Financial contributions to Keep the grant below the repayable threshold will not be allowed.</p> <p>A competent agent or Anchor Home Improvement Agency shall be engaged to supervise the works and there fees will be included as an eligible cost.</p> <p>Where essential unforeseen works arise and cause the overall cost of works to exceed £5,000</p>	<p>Grant over £5000 repaid in full on sale or transfer of title.</p>	<p>Renewal of a failed element will take place when this is the most cost effective</p>

Type of Assistance	Amount/Method	Eligibility	Conditions	Repayment	Comment
		<p>Applications will be considered where:</p> <p>A risk to the security of the occupier exists ie insecure windows or doors</p> <p>Where a breakdown of the primary source of heating or hot water has arisen, or where it is so far defective that a breakdown is inevitable and there is no assistance through a national scheme</p> <p>Where a major defect exists that puts the health and safety of the occupier at an unacceptable risk e.g. unsafe gas or electrical system</p> <p>Where there is a significant risk to public safety e.g. from an unsafe chimney or loose coverings, roof or unsound wall structures</p> <p>Where internal works that pose an immediate risk to the occupier or visitors to the property exist e.g. rotted flooring or a dangerous staircase.</p> <p>Where a major structural element is so far defective that significant further damage of the property or an adjoining property will arise if remedial action is not taken e.g. a badly leaking roof, or leaking gutters or down pipes.</p>	the whole grant will become repayable.		