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Mr Marc Wyn Jones
Clerk
Communities, Equality
and Local Government Committee
National Assembly for Wales
Cardiff Bay
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Dear Mr Wyn Jones

INQUIRY INTO HOME ADAPTATIONS

I received recently the Committee's consultation letter for its inquiry into *Home Adaptations*. Drawing on evidence from some of our recent audit work across local government, I have appended to this letter a brief response to the consultation.

I hope that this is helpful to the Committee. Wales Audit Office staff would be happy to discuss our audit evidence about the delivery of home adaptations in Wales with you in more detail if that would be helpful.

Yours sincerely

HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES

Annex: Wales Audit Office response to the Communities, Equality and Local Government Committee consultation on *Home Adaptations*

1. Home adaptation services are an important part of a wider system that seeks to support independent living for people with disabilities. Other elements of that wider system include the supporting people funding regime and reablement services.
2. While the Committee's terms of reference refer specifically to Disabled Facilities Grants (DFGs), these are, as the 2009 report by the Equality of Opportunity Committee recognised, just one of a number of ways in which home adaptations can be funded. Alternative sources of funding include care and repair works, adaptations to local authority owned properties that are funded through the housing revenue account, and Physical Adaptation Grants for tenants in housing association owned homes.
3. Our recent performance audit work across local government has included analysis of some councils' performance in the delivery of DFGs. Performance audit staff have also been giving specific attention recently to the overall adequacy of the 'National Strategic Indicator' that is used to measure the delivery of DFGs by local councils across Wales. This work has not yet been finalised or reported.
4. In interpreting the available data on the timescales for delivery of DFGs, it is important to recognise that these are often provided to very vulnerable and disabled people whose needs and requirements can change over the lifetime of a DFG application. Their decision to ultimately pursue an adaptation can be quite difficult and may take time which can add to the length of time taken to deliver the works. In our experience, there are examples where councils will close cases while they wait for an applicant to agree to progress with the adaptation work, only to then start the whole process again when they decide to proceed.
5. Moreover, complex adaptations work can inevitably take longer. There is the risk that if too much emphasis is placed on chasing improved performance against the national performance indicator, this could provide a perverse incentive for councils to prioritise resources towards less complex work to the detriment of those in most need. However, the reported performance data also excludes DFG work valued at under £5,000. For some councils, such work can represent a significant proportion of total DFG related expenditure and the adaptations provided can still have a significant impact in maintaining recipients' independence.
6. The Committee may wish to explore in more detail the scope for further refinements in the performance management framework to differentiate between different categories of DFG works (for example by type or value). The Committee could also explore opportunities to better evaluate the overall value for money of councils' investment in DFGs by considering other measures that consider the impact on those benefiting from the work and the overall quality and cost of the work. As things stand, while the performance management framework does now distinguish between DFGs delivered for young people and adults, the Equality of Opportunity Committee's suggested refinements to the performance indicator arrangements do not appear to have been enacted in full.

7. Measuring DFG performance as a National Strategic Indicator has been important in helping to raise the profile of DFG works and their contribution in support of independent living. However, it remains the case that this measure focuses on DFGs delivered to owner-occupiers and tenants of private sector landlords. It does not capture councils' performance in delivering adaptation work across their own housing stock, where councils still retain stock. Similarly, it excludes Physical Adaptation Grant work carried out on housing association owned homes which, due in part to local authority stock transfer, has been increasing in value. While housing associations provide information to the Welsh Government setting out the overall volume of adaptation grant work undertaken, we are not aware of there being any system in place to more formally evaluate housing associations' performance in delivering this work and, unlike councils, housing associations are not required to report publicly on their performance. Similarly, we are not aware of the Welsh Government having any arrangements in place to formally monitor the level or performance of Care and Repair related activity.
8. More generally, the significant variations that we are still seeing in the time it takes to deliver aids and adaptations funded by DFGs across Wales can reflect, at least in part, the adequacy of councils' underpinning management arrangements. For example, we would observe that:
 - a. There is an ongoing tendency for some councils to adopt traditional approaches to procurement through single tender contracts rather than using more modern methods such as partnering/framework agreements and/or batch contracting.
 - b. Formal accreditation systems for the contracting of DFG works are often lacking in terms of their focus on:
 - i. Standards of customer care, such as keeping appointments, keeping the site tidy and controlling noise.
 - ii. Vetting of financial standing, tax and VAT status, and insurance arrangements.
 - iii. The promotion of good health and safety practices.
 - iv. The use of warranty schemes.
 - v. Requiring references.
 - c. The extent and effectiveness of integrated approaches to assessing and delivering works (between occupational therapy and grants staff) remains variable. In our experience, few councils have an end to end system that brings all key stakeholders together to deliver DFGs effectively. There is a tendency still for the individual elements of the DFG process to follow one after another in a linear fashion, rather than councils looking to opportunities to streamline, for example by operating different parts of the process in parallel.

- d. Because DFGs are means tested¹, the application and approval process can often be complicated and long. That said, it is clearly important that local authorities maintain appropriate controls to protect against fraud. Opportunities for councils to speed up the process can include: the use of HM Land Registry to ascertain property information and title; the use of online credit agencies to check financial data on clients; effective filtering and fast tracking of DFGs at first contact; and undertaking the applicant financial assessment at the point the DFG assessment is completed.
 - e. The referral process, to enable clients to be assessed promptly and quickly, is supported by poor information management systems which do not operate to right first-time principles. As a consequence, all the information required to assess a client is not necessarily captured at the first point of contact. This can result in substantial delays as councils tend to put the onus on the client to resolve the information gap rather than seeking to manage the burden of evidence themselves.
9. We have seen evidence of some councils sustaining their budgeted expenditure on DFGs in recent years despite wider financial constraints. However, current investment is not always sufficient to deliver all the mandatory DFGs required and applicants often have to wait considerable time to secure a grant. Should the Committee be requesting any updated information on councils' budgets/expenditure on DFGs, it is worth being aware that there are differences in how these services are paid for locally. In our experience, some councils seek to secure a fee income from the DFG under an agency arrangement while others are core revenue funded and spend 100 per cent of the DFG budget on adaptation work. The Committee may also wish to consider whether councils and housing associations are making best use of existing adapted housing to avoid spending money unnecessarily on adaptations to their own housing stock.
10. Finally, the Committee may be interested to note the findings from a piece of work that the Wales Audit Office commissioned from Cardiff University's 'Lean Enterprise Research Centre' in 2009-10. That report considered the application of lean and systems thinking across the public sector in Wales and included a case study about a systems thinking review of Neath Port Talbot County Borough Council's DFG service². In our 2012 Annual Improvement Report, we noted that DFGs were one of a number of areas where the Council could demonstrate improved service delivery times and improved service quality. That was despite the Council performing poorly in comparison to other councils against the national strategic indicator for the time taken to deliver DFGs. The Council has developed other performance measures, separate to the delivery time, to help monitor service performance.

¹ For young people (under 19s) there is no means testing. However, in our experience this does not necessarily result in noticeable differences in the average delivery time for DFGs.

² Lean Enterprise Research Centre, Lean and Systems Thinking in the Public Sector in Wales, January 2010, http://www.wao.gov.uk/assets/englishdocuments/Systems_Thinking_Report_eng.pdf