

# Housing Adaptations: Report of the Public Accounts Committee

July 2018

## Introduction

The Auditor General for Wales published a report on Housing Adaptations in February 2018. The report considered whether public bodies, with responsibilities for delivering housing adaptations, have an effective strategic approach that delivers value for money.

The report concluded that user satisfaction with housing adaptations masks a hugely complicated, reactive and inequitable system that is not delivering for all those who may need it, and public bodies are not taking opportunities to improve value for money. The report highlights that the current system for delivering adaptations reinforces inequalities for some disabled and older people, and addressing need is complicated by the different sources of funding. These differences are resulting in people with similar needs receiving different standards of service because of the policy choices of public bodies. Whilst public bodies are generally clear on the benefits of adaptations, partnership working is ineffective to address need.

The Auditor General made six recommendations to Welsh Government, local authorities, housing associations and care and repair bodies, all of which were accepted.

The Public Accounts Committee (PAC) agreed to undertake a short inquiry into the issues raised in the report. The Committee focussed its review on four key themes:



- Reducing inequality in adaptation policies;
- Improving efficiency in delivering adaptations;
- The Welsh Government’s ENABLE review; and
- Improving oversight and judging impact.

It became clear to the Committee, during the course of our inquiry, that a number of the weaknesses highlighted by the Auditor General, particularly in respect of the post-code lottery of entitlement that often reinforce rather than address inequalities, are well known. These are long-standing issues, often dating back to 2005, which Welsh Government and delivery bodies have failed to address. The Committee consequently sought to assure itself that there is a recognition of the urgency needed to tackle and address these problems.

The Committee took evidence from the Welsh Government, the Welsh Local Government Association (WLGA), two local authorities (Ceredigion and Merthyr Tydfil), Community Housing Cymru (CHC), Care and Repair Cymru, Tai Pawb, Leonard Cheshire Disability and Disability Wales. A full list of the witnesses who provided oral evidence to the Committee along with the transcripts is available at Annex A.

The key findings of the Committee’s Inquiry are set out below.

## 1. Inequality in Adaptation Policies

**1.** There are many sources of funding and policies for adaptations, which results in disabled and older people receiving different standards of service. To address these discrepancies, the Auditor General’s report recommended that the Welsh Government set standards for all adaptations to ensure disabled and older people receive the same standard of service irrespective of where they live, who their property owner is and whether they own their own home.

**2.** The Auditor General’s report also describes the complexities of the current funding regime with different grants, funding sources and delivery body priorities, which is resulting in disabled and older people receiving very different services depending on where they live, who delivers the adaptation, and whether they

own or rent their home. The recent report of the Equalities and Human Rights Commission echo these conclusions.<sup>1</sup>

**3.** The Welsh Government accepted these findings and set out its progress to date on recommendations explicitly directed at them.<sup>2</sup> However, there was no commentary provided on the wider recommendations or about how they might link with the ENABLE review. In response to recommendation one on service standards the Welsh Government states that:

“During the next twelve months we will work with our partners across a range of tenures to identify those aspects of work which could benefit most from agreed service standards as well as agreeing what those standards might be.”

**4.** Most witnesses acknowledged that the system for delivering adaptations is complex and significant inconsistencies exist between agencies, across tenures and geographical areas. Several referenced the post-code lottery experience of older and disabled people who require assistance. There was recognition that national service standards would help overcome some of the variations. There was an acceptance that this was relatively easy to do and Welsh Government should have addressed these weaknesses some time ago.

**5.** We questioned the Welsh Government on why it has taken them so long to overcome the issues raised by the Auditor General’s report. The Director General, Tracey Burke, told us that she also questioned why these issues had not been addressed given they are not new. Welsh government officials accepted that poor performance and slow progress had frustrated both officials and successive housing Ministers.<sup>3</sup> Ms Burke concluded that the Auditor General’s report had therefore added further impetus to the work needed to tackle inequality and improve performance.<sup>4</sup>

**6.** Despite this encouraging acknowledgement, we question whether there is an underlying appetite to address these long-lasting problems given the Welsh Government’s record of accomplishment and lack of progress in improving this aspect of delivering adaptations.

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<sup>1</sup> Equalities and Human Rights Commission, [Housing and disabled people: Wales’s hidden crisis](#), page 18 (May 2018)

<sup>2</sup> Written evidence, [PAC\(5\)-17-18 Paper 1](#), 18 June 2018

<sup>3</sup> Record of Proceedings (RoP), 25 June 2018, Paragraph 238

<sup>4</sup> RoP, 25 June 2018, Paragraph 247

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## 2. Improving Efficiency in Delivering Adaptations

**7.** The Auditor General’s report highlights that good quality and accessible information is essential for delivery organisations to demonstrate fair access and transparency for adaptations. However, weaknesses in current information arrangement is limiting take up and usage. Whilst delivery organisations’ provide information on housing adaptations in both Welsh and English, a significant number of delivery organisations do not provide information in other key accessible formats. For example, in large fonts for visually impaired users, audio versions for people with hearing difficulties and other languages.

**8.** Each delivery organisation has designed their own application process for people that request a housing adaptation. The systems and processes used by delivery organisations vary from body to body, despite having national requirements for organisations delivering Disabled Facilities Grants (DFGs) and Physical Adaptations Grants (PAGs). The difference in approaches and the complex administration systems often create difficulties for disabled and older people seeking assistance.

**9.** Occupational therapists identify the works that are “necessary and appropriate” to meet a disabled or older person’s needs but current arrangements are not ensuring that disabled and/or older people benefit from a streamlined and efficient process. The Auditor General’s report found there to be a number of weaknesses in these processes.<sup>5</sup>

**10.** Just under half of local authorities noted that completing the test of resources could take considerable time. Delays are frequently a result of the amount of detail DFG applicants are required to provide, such as proof of title and comprehensive financial information. Delivery organisations acknowledge that the means test is also inequitable in relation to other funding options and felt that it is debatable whether the means test represents value for money given the length of time to complete compared to the level of grant provided.<sup>6</sup>

**11.** Witnesses noted that 90% of adaptations cost less than £500 and completing the test of resources is expensive to administer and does not represent value for money. The test of resources also deters some older and

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<sup>5</sup> Auditor General for Wales, Housing Adaptations, 22 February 2018, Paragraph 2.20

<sup>6</sup> RoP, 18 June 2018, Paragraph 184

disabled people from applying and witnesses felt it was unfair for owner-occupiers to be subject to this and dealt with differently to tenants.

**12.** Welsh Government approval processes often delay housing associations delivering PAGs, particularly for larger works, which require approval prior to the commencement of work. The approval process involves Welsh Government officials reviewing the Occupational Therapists' assessment of the need for an adaptation and the suitability of the building, all of which can add many weeks if not months to the process. Some 82% of landlords stated that they experienced delays because of the Welsh Government requiring associations to provide three quotes and 64% of landlords' delays because of the Welsh Government's approval processes. Given that the bulk of PAGs above £5,000 are approved with little challenge or change, housing associations consider these processes unnecessarily burdensome, particularly as the system is entirely paper based and has not been digitised or automated.<sup>7</sup>

**13.** Welsh Government officials stated that they approve most PAGs within agreed timescales but were unable to confirm how many PAGs officials challenge, review or refuse. Welsh Government officials also acknowledge there are opportunities to improve how they manage PAGs and is something they will focus on addressing through the systems thinking review, which is currently being commissioned.<sup>8</sup>

**14.** Local authorities and housing associations experience delays resulting from gaining relevant permissions from utility companies (water in particular) and planning authorities where planning permission is required. These can often lengthen delivery time and stop adaptations progressing.<sup>9</sup> Witnesses confirmed these difficulties can result in significant delays:

“I think that those delays for large adaptations – where you need planning permission or you need building over the sewer agreements or whatever it is – can add to the delays in what's already quite a long process when you're building an extension.”<sup>10</sup>

**15.** We are not convinced that delivery bodies are focussed on addressing planning and utility delays. The differing responses, particularly on where responsibility for tackling issues rests, did not provide the Committee with any

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<sup>7</sup> Auditor General for Wales, Housing Adaptations, 22 February 2018, Paragraph 2.28

<sup>8</sup> RoP, 25 June 2018, Paragraphs 276-279.

<sup>9</sup> Auditor General for Wales, Housing Adaptations, 22 February 2018, Paragraph 2.30

<sup>10</sup> RoP, 18 June 2018, Paragraph 202

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assurance that these problems will be addressed. We acknowledge these are not easy issues to overcome; but the limited progress to date, and lack of commitment shown, is not acceptable.

**16.** We noted the complexities of the adaptations system raised in the Auditor General's report and that public bodies delivering adaptations need to streamline delivery to improve both value for money and provide older and disabled people with a responsive service. We questioned the Welsh Government on whether the process for applying and assessing adaptations, and particularly the "means test", is too complicated and whether it was putting people off from seeking an adaptation.

**17.** Welsh Government Officials recognised that there are significant variations between local authority policies on DFGs and the current system is far from perfect. We were told that Welsh Government:

"...have been trying for a number of years to flex the system to get people to accept that it doesn't make sense to have a complicated system for simple end of adaptations."<sup>11</sup>

**18.** Welsh Government added that there was a growing acceptance that it was possible to undertake small and medium scale adaptations without creating complex and overly bureaucratic approval processes. The Committee believes that Welsh Government and delivery bodies need to make the improvements needed with some urgency given witnesses accept the case for change.

**19.** We noted that the Auditor General's report found that many delivery bodies have not placed sufficient strategic focus on adaptations, concentrating on organisational specific responses rather than how best collectively to meet the needs of disabled or older people. We asked how could the Welsh Government and delivery bodies promote the strategic value of adaptations and joint working to improve take-up.

**20.** Welsh Government Officials agreed that there had to be joint working across a number of bodies, in particular across the housing, health and social care sectors. Officials noted that the Welsh Government's policy "Prosperity for All", specifically highlights the need for that join-up, and housing and social care are two of the highest priorities. They also referred to the importance of regional partnership boards taking forward integrating work in these areas. However, the Committee heard evidence that too often regional partnership boards do not

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<sup>11</sup> RoP, 25 June 2018, Paragraph 264

recognise or value the work of housing and third sector organisations and miss opportunities to integrate services and maximise benefits for disabled and older people.<sup>12</sup>

### 3. The Welsh Government's "ENABLE" Review

**21.** The Welsh Government, through its "ENABLE" review, has sought to address some of the weaknesses in delivering adaptations through the introduction of a new system for monitoring and reporting performance. The new system, introduced in January 2017, requires local authorities and housing associations to record the same core set of information in respect of every DFG and PAG they deliver. Community Housing Cymru however also acknowledged weaknesses with the work of ENABLE, telling us that:

"I think it's fair to say that not all providers of adaptations have got to the same level of understanding of what ENABLE is going to deliver and what it's going to do...providers aren't completing the data collection forms for fear of performance being judged by Welsh Government."<sup>13</sup>

**22.** We were concerned with the findings of the Auditor General's report that whilst the new performance standards introduced through ENABLE are a step forward in allowing delivery organisations to be able to judge the effectiveness of their management systems, some of the main causes of delays are not included. In particular, data relating to planning permissions or utility-company approvals; delays created by applicant/ household choices of decisions; equalities data capturing the ethnicity of the applicant; delays arising from difficulties appointing contractors; and the time taken and outcome of the suitability of a home for adaptation. These gaps will limit the usefulness of the data being collated and will not allow the Welsh Government and delivery organisations to fully evaluate all aspects of the complex adaptation system.<sup>14</sup>

**23.** We asked the Welsh Government to respond to the concerns raised by the Auditor General and witnesses that these gaps in data collection will severely impair the usefulness of the data. Emma Williams, Welsh Government, accepted that the data collection system did not cover everything but it was trying to strike the right balance between collecting data on small-scale aides and adaptations

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<sup>12</sup> RoP, 18 June 2018, Paragraphs 224 and 228

<sup>13</sup> RoP, 18 June 2018, Paragraph 159

<sup>14</sup> Auditor General for Wales, Housing Adaptations, 22 February 2018, Paragraph 4.13

as well as large scale. She added that the steering group had raised a number of areas where they would like to look further at how data collection and how it can be used.

**24.** We were keen to establish whether any data was being collected that could be used to analyse the impact of adaptations and were told that while discussions had taken place on the merits of this, no action had occurred to take this forward. The Committee reflected that this was akin to “kicking the can down the road” in that the Auditor General has identified a problem, the Welsh Government fully accepts the problem and that something needs to happen, but we were given no commitment that there will be change. The Committee is concerned that the leadership required from Welsh Government to improve how adaptations are evaluated is missing.

**25.** In written evidence, the Welsh Government provided us with an update on the ENABLE review noting that the work to date has been a stepping-stone and a phase 2 ENABLE review (referred to by witnesses as the “Enhanced Adaptations Development Group”) is being progressed. Many of the areas for improvement that the Welsh Government is focussing on addressing are long-term weaknesses previously identified where there has been inadequate and/or ineffective progress.

**26.** During oral evidence sessions, we heard that the new “Enhanced Adaptations Development Group” membership includes local authorities, housing associations, Care and Repair and, more recently, Tai Pawb. Witnesses noted some limitations with the new group:

- Welsh Government policy does not cover LSVT housing associations and they have not been included in the ENABLE review work to date. This exclusion reinforces inconsistencies and results in tenants of stock transfer associations receiving very different standards of services to those of traditional community based housing associations.<sup>15</sup>
- Third sector involvement is limited and there are concerns that the voice of older and disabled people is missing. Third sector organisations expressed fears that delivery bodies focus too much on their internal arrangements and less on improving the customer experience.<sup>16</sup>

**27.** We raised serious concerns with the Welsh Government about these limitations and challenged them on the exclusion of Large Scale Voluntary

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<sup>15</sup> RoP, 18 June 2018, Paragraph 192

<sup>16</sup> Rop, 18 June 2018, Paragraph 302

Transfer (LSVT) housing associations. Ms Burke explained that there were historic reasons why LSVT stock was not included, but recognised that this was unacceptable and planned to address this omission.<sup>17</sup> However, Ms Williams confirmed that this would take some time to address. For instance, data will not be collected from LSVT associations until 2019-20, and not reported until 2020-21 at the earliest.

**28.** However, in a letter to the Committee Ms Burke noted that “The Enable data collection is collecting information on adaptations from all organisations this includes LSVTs”.<sup>18</sup> It is however unclear from when the Welsh Government started collecting this data and when information on the performance of LSVT associations specifically will be published.

## 4. Improving Oversight and Judging Impact

**29.** Despite the wide range and different sources of funding for housing adaptations, there is only a small range of national publicly reported performance indicators.<sup>19</sup>

**30.** The Auditor General’s report found that there are no nationally reported performance indicators for housing associations for their delivery of PAGs, although the Welsh Government collects some data on expenditure and the number of PAGs delivered in each financial year. Similarly, whilst the Welsh Government receives information on the performance of Care and Repair in respect of the Rapid Response Adaptation programme, this information is not published. The lack of nationally reported performance indicators means that it is not possible to fully evaluate and understand the performance or effectiveness of individual agencies, or the efficiency and impact of the “whole” adaptation system.

**31.** The Auditor General also reported that delivery organisations are mostly focussing their performance management and evaluation on inputs and outputs associated with delivery of adaptations. Although many local authorities and housing associations acknowledge the importance of adaptations in enabling disabled and older people to live independently and in preventing demand on health and social-care services, the Auditor General found little evidence of

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<sup>17</sup> RoP, 25 June 2018, Paragraph 238

<sup>18</sup> Written evidence, PAC(5)-21-18.PTN2, 16 July 2018

<sup>19</sup> Auditor General for Wales, Housing Adaptations, 22 February 2018, Paragraph 4.5

delivery organisations undertaking robust evaluation of these wider and longer-term benefits of adaptations.<sup>20</sup>

**32.** Various local authorities, Housing Associations, and Care and Repair agencies undertake post-adaptation satisfaction surveys with disabled and older people. There is also a wide variation in how feedback from service users is used and we identified opportunities to use this feedback to both strengthen understanding and improve delivery. Surveys are usually undertaken at the point the physical building works have been completed, which does not allow for a full consideration of the benefits of the work on disabled and older people. Key outcomes such as independence, wellbeing, reductions in accidents or falls and greater independence are most often not captured.<sup>21</sup>

**33.** Many witnesses acknowledged the limitations in current reporting on adaptations, which weakens accountability and scrutiny of performance. Whilst several witnesses noted some of the improvements produced by the ENABLE review with standardised information for both DFGs and PAGs, others acknowledged limitations with the work to date:

“The measures at the moment, like the performance indicators for DFGs, are a very crude measure of what a good adaptation process looks like. It doesn't really take account of the impact it has on a person; it doesn't reflect the principles of voice, choice and control; it doesn't ask people what they actually want from the adaptation, and whether what they wanted has been realised through an adaptation.”<sup>22</sup>

**34.** Witnesses noted that the new standards were not focussed on the right measures and needed further refinement to be truly useful. In addition, witnesses stated that some delivery bodies had not submitted information, whilst others provided incomplete data. The issue of stock transfer associations being outside the oversight system was raised which is subsequently being addressed by Welsh Government. Finally, given no public reporting has taken place it is not possible to judge whether the new performance management and reporting system is fit for purpose.

**35.** We questioned the Welsh Government about the lack of information that is published on how well public bodies are performing in delivering adaptations, and whether public bodies and the Welsh Government report more openly on

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<sup>20</sup> Auditor General for Wales, Housing Adaptations, 22 February 2018, Paragraph 4.17

<sup>21</sup> Auditor General for Wales, Housing Adaptations, 22 February 2018, Paragraph 4.18

<sup>22</sup> RoP, 18 June 2018, Paragraph 284

performance to improve delivery and use of resources. Ms Burke agreed that there should be more openness in terms of performance information and that this is the intention through the ENABLE data collection. She added that the data collected during the first year of the new system would be published.

**36.** We are very concerned that only seven of the 22 local authorities and 11 of the 33 Housing Associations collect equalities information on recipients of housing adaptations to judge fair access in provision of services. We asked what should be done to address this poor performance. Ms Burke agreed that this performance was unacceptable and that she was disappointed to read these findings in the Auditor General's report. She explained that there are now revised terms and conditions so that it is a requirement to record that information.

**37.** While we welcome this acknowledgement, until this information is available, we remain sceptical that it will be as comprehensive as it should be. Complete and robust information collection is a long-standing issue for Welsh Government, and we therefore have little confidence that this will be adequately addressed.

## 5. Conclusions and Recommendations

**38.** The Committee endorse the findings of the Auditor General's report and having considered the evidence believe that the report has provided the platform and impetus to deliver much needed and long overdue improvements. We recognise that inconsistency in service delivery has been an issue driven in the main by various funding streams and tenures that people are living in.

**39.** The evidence heard by the Committee echoed many of the conclusions of previous reviews in 2005, 2013 and 2015 but judged on past performance, we are not convinced that Welsh Government and other public bodies will address these well-documented problems. Strategic leadership, ambition and drive have been sadly missing in recent years and the evidence we heard "that things are set to change and improve" does not persuade us.

**40.** Consequently, the Committee has made the following recommendations. We intend to closely monitor delivery and require the Welsh Government to report to the Committee its progress in addressing these.

**Recommendation 1.** We recommend that the Welsh Government publishes the performance data it has collated under the ENABLE review by November 2018. In publishing this information the Welsh Government should clearly set out any deficiencies in the first round of performance information it collected – for

example, organisations not providing returns – and how it intends to address these gaps.

**Recommendation 2.** We recommend that the Welsh Government prioritise the establishment of national minimum standards for all adaptations to ensure disabled and older people receive the same standard of service irrespective of where they live, who their landlord is and whether they own their own home. In particular, they should ensure that the data underpinning this exercise is robust and comprehensive. In their response to the Auditor General’s Report, Welsh Government stated a completion date of December 2019. Given slow progress in the past, the Committee believes this needs greater urgency from Welsh Government and should be completed by July 2019. The Committee will monitor delivery to ensure the minimum standards have been established and disseminated by July 2019.

**Recommendation 3.** We recommend that the Welsh Government sets clear standards for means testing DFGs. Welsh Government accepted that it is possible to undertake small and medium scale adaptations without creating complex and overly bureaucratic approval processes, but the variation in local authority approaches had resulted in a post-code lottery for applicants. We therefore recommend that Welsh Government reviews current approaches and produces guidance that clearly set out the minimum value and type of adaptations works where the means test should be applied and minimum approval standards required. The Committee will monitor progress that this work has been done, no later than July 2019.

**Recommendation 4.** We recommend that the Welsh Government provide support and guidance for delivery organisations to improve integration of services, for example through integrated delivery teams. We note that there appears to be a strong relationship between the presence of integrated delivery teams, and good practice in delivering adaptations. We therefore recommend that, as part of its ENABLE work, the Welsh Government identifies the nature of this relationship and how this has supported better outcomes. We will require the Welsh Government to demonstrate to the Committee that this work has been done, no later than July 2019.

**Recommendation 5.** We recommend that the Welsh Government, through the new “Enhanced Adaptations Development Group” seeks assurance that delivery organisations are taking the necessary steps to discharge the Auditor General’s recommendations. Given witnesses, including Welsh Government, accepted the findings of the Auditor General and the need for change, the Committee believe it is appropriate for the Welsh Government to take a lead in ensuring these long-

standing weakness are addressed. We will require the Welsh Government to demonstrate to the Committee that this work is progressing, no later than December 2019.

**Recommendation 6.** We recommend that the Welsh Government revises its national performance indicators for data collection in 2019-20. The indicators should be designed to allow delivery organisations to evaluate their performance, inform their strategy and improve service delivery. The Welsh Government should ensure the revised measures:

- Reflect the minimum standards developed for adaptations to allow an evaluation of the impact, wellbeing, and wider benefits of investment in adaptations;
- Address the deficiencies identified in the Auditor General's report (paragraph 4.13); and
- Address any gaps identified from the first year monitoring and evaluation of ENABLE.

The Committee will monitor progress that this recommendation has been completed, no later than December 2019.

## Annex A – Witnesses

The Public Accounts Committee considered the Auditor General’s Report on Housing Adaptations in March 2018 and undertook a short inquiry in the summer 2018 term.

Evidence Session	Date, Agenda and Minutes	Transcript	Video
1. Jim McKirdle – WLGA Gaynor Toft – Ceredigion County Council Julian Pike – Merthyr Tydfil County Borough Council	<u>Monday 18 June</u>	<u>Read transcript of Evidence Session 1</u>	<u>Watch Evidence Session 1 on SeneddTV</u>
2. Stuart Ropke – Community Housing Cymru Chris Jones – Care & Repair	<u>Monday 18 June</u>	<u>Read transcript of Evidence Session 2</u>	<u>Watch Evidence Session 2 on Senedd TV</u>
3. Alicja Zalesinska – Tai Pawb Ruth Nortey – Disability Wales Rhian Stangroom-Teel – Leonard Cheshire Disability	<u>Monday 18 June</u>	<u>Read transcript of Evidence Session 3</u>	<u>Watch Evidence Session 3 on Senedd TV</u>
4. Welsh Government Tracey Burke John Howells Emma Williams	<u>Monday 25 June</u>	<u>Read transcript of Evidence Session 4</u>	<u>Watch Evidence Session 4 on Senedd TV</u>