

Report to the Cabinet

Report reference: C-022-2015/16
Date of meeting: 3 September 2015



Portfolio: Housing
Subject: Funding for Disabled Facilities Grants (DFGs)
Responsible Officer: Lyndsay Swan (01992 564146)
Democratic Services Officer: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

- (1) That a supplementary capital estimate in the sum of £120,000 for 2015/16 be recommended to the Council for approval to supplement the existing agreed budget of £380,000 for Disabled Facilities Grants;
- (2) That a capital growth bid for a further £120,000 for the following 3 years until 2018/19, £360,000 in total, be made to supplement the existing agreed budget of £380,000 a year for Disabled Facilities Grants; and
- (3) That the Housing Select Committee be requested to add an item to its work programme for 2016/17 to receive a presentation on the effectiveness of Disabled Facilities Grants within the District.

Executive Summary:

The Council has a legal duty to provide Disabled Facilities Grants (DFGs) to residents of the District that meet the eligibility criteria. The grants are initiated by Occupational Therapists (OTs) under a referral system. Owing to changes in the provision of the OT service, which is provided by Essex County Council, there has been a dramatic increase in the number of referrals received.

The budget for DFGs is held within the General Fund and has been set at £380,000 a year until 2018/19. It is now apparent that this will be insufficient and it has been estimated that a further £120,000 a year until 2018/19 will be required to meet demand. As DFGs are statutory grants which the Council cannot refuse to provide, it is recommended that the Council makes additional resources available to fund the shortfall.

Reasons for Proposed Decision:

The Council is required by law to provide DFGs to eligible residents within specified timescales. However the budget that has been set of £380,000 a year until 2018/19 will not meet demand.

Other Options for Action:

The Council could just approve enough applications to result in expenditure of the existing budget of £380,000 and then hold a waiting list of the remaining applications. However, the

Council would not be meeting the timescales set in the legislation if it was to do this. In addition, this would only be delaying the expenditure because it would not reduce the numbers of referrals being made. It is also considered that the Council would suffer significant reputational damage if it was to implement measures that delayed the provision of essential adaptations to residents that are disabled, and in many cases, older people.

The legislation does provide measures that would slow down DFG expenditure but the implementation of these measures is not being recommended because, again, this would only delay the expenditure until future years. It also considered that delaying the provision of necessary adaptations for disabled residents would result in a failure under the public sector equality duty to provide equality of opportunity.

Report:

1. The Council is responsible for administering Disabled Facilities Grants (DFGs) under the Housing Grants Construction and Regeneration Act 1996 (as amended). Mandatory DFGs are means tested grants of up to £30,000 to provide essential facilities or access to essential facilities for home owners who are registered, or eligible to be registered as disabled. Work carried out under DFGs ranges from low-cost work such as stair lifts and ramps, to extensions. The most common type of work is level access showers. DFGs are separate and different from the fending of adaptations to Council properties.

2. Legislation stipulates that Local Authorities have to consult with the ‘welfare authority’ (in this case, Essex County Council) on the adaptations that are ‘necessary and appropriate’ for the grant applicant. Throughout Essex, this is facilitated by receiving a ‘referral’ from an Occupational Therapist (OT) at the County Council. If there is no referral, therefore, under existing arrangements, there can be no DFG.

3. For many years ECC employed its own OTs but following a period of increased demand in 2011, found it difficult to provide referrals in a timely and consistent manner. Peaks and troughs in the supply of referrals made it difficult for the Grants Team to set, and adhere to, consistent timescales and for several years this also resulted in an under-spend of the Council’s budget.

4. In 2013 ECC implemented new arrangements which resulted in a dramatic increase in the numbers of referrals. The table below shows that from receiving 71 referrals in 2012/13, in 2014/15, two years later, we received more than twice this figure. In 2015/16 at the end of July (month 4) already almost 80 referrals had been received.

Table 1: Demand for DFGs since 2012/13

	2012-13	2013-14	2014-15
Referrals received	71	173	164

5. Table 2 below shows the expenditure on DFGs over the same period. When compared to the number of referrals received it is apparent that expenditure in each year bears little relation to the numbers of referrals received in that year. Not all referrals result in applications being made. In addition, depending on the size of the specific piece of work being funded, and the speed at which it has progressed, expenditure in one year can be as a result of payments made on grants approved in the same year or in previous years.

Table 2: Expenditure on DFGs since 2012/13

	2012-13 £	2013-14 £	2014-15 £
Expenditure	259,344	337,977	401,413

6. It is considered that the numbers of referrals being received has reached a steady state of around 165 a year. It is now possible, therefore, to estimate likely annual expenditure going forwards and it is considered that this will be approximately £500,000 a year until 2019. The budget that was agreed in the Capital programme at the end of 2014 is shown in table 3 below:

Table 3: Funding provision agreed for DFGs in Capital Programme in 2015

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Expenditure	380	380	380	380

7. Local authorities receive funding from the government in order to help them meet these statutory requirements. This funding, which is not ring-fenced, now comes through the Better Care Fund, which is managed by Essex County Council, and the amount received for 2015/16 is £363,000. The arrangement of providing funding through the Better Care Fund only started this year and there is no indication how much will be received in 2016/17 or thereafter.

8. Under legislation introduced in 2008, Disabled Facilities Grant (Conditions relating to approval or repayment of Grant) General Consent 2008, the Council is able to require repayment of DFGs under certain circumstances. In accordance with these provisions, in April 2012 the Cabinet agreed that where grants were above £5,000, subject to a £10,000 limit, the Council would require repayment if the property was sold within a 10 year period of the date on which the DFG work was completed (C-077-2011/12). However, the legislation limits the amount of the repayment to no more than £10,000 and the charge securing this is removed after a period of 10 years. As it is not possible to assess how long an individual will remain in their property after having work carried out, it is not certain how effective this measure will be in recycling DFG funds. So far since the measure was introduced in April 2012, only £20,500 has been recovered.

9. The work that is carried out through DFGs is carefully monitored to ensure that it meets the individual applicant's needs that were set out by the OT in the referral. Each grant is only paid once it has been signed off by the Council's Grants Officer as meeting those needs.

10. Satisfaction with the adaptations that have been provided is assessed by means of customer satisfaction questionnaires that are provided to all grant recipients and is always in excess of 95%. In addition many of the people that have had work carried out under DFGs remain users of the services of the private sector housing teams for a number years after the work has been carried out and officers observe the essential role that DFGs play in

keeping service users independent in their own homes. For many the alternative to receiving an adaptation provided through a DFG would be to seek residential care at a much higher cost to the public purse.

11. It is clear that the budget that has been allocated for DFGs will be inadequate to meet demand for the foreseeable future. It is also clear, therefore, that unless additional funds are made available the Council will fail to meet its statutory obligation to provide these essential adaptations grants to the District's residents.

Resource Implications:

An additional £120,000 a year until 2018/19, £480,000 in total, from Capital receipts to supplement the existing approved budget of £380,000 a year. If there are insufficient capital receipts to fund the additional amount until 2018, that the shortfall be met from revenue within the General Fund if this is considered to be affordable when the Revenue Budgets are set each year.

Legal and Governance Implications:

Housing Grants Construction and Regeneration Act 1996 (as amended).
Disabled Facilities Grant (Conditions relating to approval or repayment of Grant) General Consent 2008.

Safer, Cleaner and Greener Implications:

The recommendation will help make the best use of the resources available to assist people in the private sector have homes that are reasonably adapted for their needs.

Consultation Undertaken:

None.

Background Papers:

None.

Risk Management:

If the recommendation is not agreed there is a possibility that the Council could fail in its statutory duty to provide DFGs with the timescales required.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

The Council carried out a private sector house condition survey in 2011. This provided valuable data on the percentage of residents with disabilities living in owner occupied and privately tenanted homes in the District. This data was combined with information on income and savings in order to estimate the likely requirement for DFGs over a period of 5 years. The result of this was that there was going to need to be budget provision of approximately £3.6million, or £720,000 a year, to meet this need.

At the time the house condition survey was carried out the Council was receiving about 35 applications and spending less than £300,000 a year on DFGs. However officers were also receiving hearsay evidence from customers and information from customer satisfaction surveys that many were finding it difficult to get referrals for the adaptations they needed. In order to address the disadvantage to residents with disabilities officers from this Council, in conjunction with other Councils in Essex, lobbied ECC to improve the OT service.

As a result of this exercise the OT service has improved, numbers of referrals have increased and the DFG budget has come under pressure. However, the Council's success in meeting the demand of disabled residents in providing the necessary adaptations has enhanced the Council's reputation. This has demonstrated the Council's commitment to meeting the public sector equality duty by advancing equality of opportunity and fostering good relations.