

Report to the Finance Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: FPM-023-2016/17

Date of meeting: 19 January 2017

Portfolio: Housing

Subject: Funding for C.A.R.E. (Caring and Repairing in Epping Forest)

Responsible Officer: Lyndsay Swan (01992 564146).

Democratic Services Officer: Rebecca Perrin (01992 564532).

Recommendations/Decisions Required:

That in order to meet the shortfall in funding resulting from the withdrawal of support for the Council's Home Improvement Agency, C.A.R.E. (Caring and Repairing in Epping Forest), by Essex County Council:

- a) £51,000 is top-sliced from the Government's Better Care Fund (BCF) contribution towards Disabled Facilities Grants (DFGs) in 2017/18; and,**
- b) That the capital allocation for Disabled Facilities Grants continues to be monitored by Members on a quarterly basis with specific reference to the viability of this arrangement from 2017/18 onwards.**

Executive Summary:

Disabled Facilities Grants (DFGs) are statutory, means-tested grants of up to £30,000 to provide adaptations to the homes of disabled owner-occupiers and private tenants. Expenditure on DFGs in 2016/17 is expected to be £630,000.

Funding for DFGs comes from the General Fund. Part of it comes from funding that comes from the government to Essex County Council (ECC) through the Better Care Fund (BCF) and a contribution from EFDC. In 2016/17 the amounts allocated were £665,000 from the BCF and £120,000 from EFDC.

The Council provides services to help owner-occupiers and private tenants with care and support needs maintain independent living in the community. These services are provided through the Council's in-house Home Improvement Agency (HIA), C.A.R.E. (Caring and Repairing in Epping Forest). One of the services provided by C.A.R.E. is to help eligible residents make DFG applications which can be a lengthy and complicated process.

ECC currently provides funding of £51,000 a year for C.A.R.E. but has recently announced that this funding will stop in April 2017. In order to continue to provide this service that supports older and disabled people to continue to live in their own homes it is recommended that £51,000 of the BCF (which is likely to be in excess of £665,000 in 2017/18) is 'top-sliced' in 2017/18 to meet the funding shortfall.

Reasons for Proposed Decision:

C.A.R.E. provides services to support older people and people with disabilities to maintain independent living in the community. A large part of the team's work is to help people with disabilities to apply for adaptations to their homes. Historic evidence is that if people are not supported to apply for the help they need, they do without the adaptations, with a risk that they then end up in the care service or in hospital.

The BCF was set up in 2014 in order to provide 'the most vulnerable people in our society with a fully integrated health and social care service, resulting in an improved experience and better quality of life'. The funding that the Council expects to receive from ECC in April 2017, added to the £120,000 DFG funding that the Council has already agreed for 2017/18, is likely to be more than £785,000 which will be more than adequate to meet the need for DFGs and the £51,000 funding shortfall. As the BCF allocation for future years is not known at present (although it is likely to be at least as much if not more than the current allocation), consideration will need to be given in the monitoring of Capital budgets as to whether this arrangement should continue in future years.

Other Options for Action:

1. The main alternative option to the one proposed would be to raise the fees charged to DFG applicants. This is currently 15% of the cost of the building work and it has been estimated that if this was to be raised to 32% this would result in sufficient additional funds to meet the funding shortfall. This option has been discounted on several grounds.

Firstly, it is generally accepted that fees for specialist services associated with building work are in the order of 12-15%. If C.A.R.E. was to charge a fee of 32% service users would seek alternative providers that could do the work more cheaply and, as a result, the desired aim of increasing fee income would not be achieved.

Secondly, although in most cases the higher fee would come directly from the DFG budget and, therefore, would not impact DFG applicants, there are some circumstances in which applicants would be financially affected. These are:

a) Where the cost of work plus the increased agency fees added together come to more than the grant maximum of £30,000 as in these circumstances DFG applicants will have to pay the excess from their own resources. At present this happens in a very small number of cases where the cost of the work is about £26,000. If the fee was to be increased to 32% this would affect more cases a year where the cost of the work exceeded £22,700. In addition these are likely to be larger schemes which are most often adaptations for disabled children.

Since DFGs are means-tested, in order to receive a grant, an applicant will have to be on a low income. Experience shows that where applicants are likely to have a financial contribution to make towards the work, they will not apply and will suffer the consequences such as having inadequate washing and toileting facilities or falling at home.

b) Where DFG work costs more than £5,000 the Council places a charge on the property so that when the property is eventually sold the Council can recoup some of its costs. The charge remains on the property for 10 years and the maximum amount that can be recovered is £10,000. With the current 15% fee the maximum cost of work that would result in a charge being placed on the property is £4,300. This affects about 88% of DFGs a year. If the fee was to be increased to 32%, based on

2016/17 figures, it would affect all DFGs. Experience shows the charge does put many applicants applying for DFGs.

2. The option of discontinuing the C.A.R.E. service is not being considered as the Council has a key objective in its Corporate Plan 2015-2020 to make appropriate plans and arrangements to respond to the effects of the District's ageing population (Corporate Plan 2015-2020 key objective (iii)(c)). The majority of residents that use C.A.R.E. to help them apply for DFGs have disabilities that are associated with age and it would be contrary to the aims of the Council's Corporate Plan if it were not to continue to provide the service.

3. The option to seek the additional resources required from the General Fund has been discounted since the General Fund is under pressure and the funding can legitimately be made up from the BCF.

Report:

C.A.R.E

1. The Council has provided a Home Improvement Agency (HIA) service through C.A.R.E. since 1991. Since that time ECC has provided some funding towards C.A.R.E. and the HIAs in other Essex authorities. ECC currently provides £51,000 of C.A.R.E.'s funding which represents 42% of its net costs.

2. The services provided by C.A.R.E. in 2015/16 were as follows:

Services provided	Number
Total Enquiries	900
People supported to receive DFGs	73
People supported to receive other types of housing assistance	51
Handyperson Service jobs carried out	155
Gardening jobs carried out	95
Falls prevention measures installed	41
Equipment to aid rapid discharge from hospital	26
People helped to apply for charitable funding for adaptations/repairs and maintenance	6
People signposted to other services	214

By far the largest part of C.A.R.E.'s work time-wise is assisting home-owners and private tenants with disabilities to access adaptations through Disabled Facilities Grants (DFGs)

3. In order to carry out this work C.A.R.E. has two full-time equivalent (FTE) case-workers, 0.6 FTE surveyor and 0.5 FTE manager post.

4. In addition to the £51,000 contribution received from ECC, C.A.R.E. also receives contributions from fees charged for each DFG application it project-manages. These fees, currently 15% of the cost of the grant work, can be included in the DFG itself so clients do not usually have to pay the fees from their own resources. The only time that they have to do so is when the cost of the work plus the fee exceeds the maximum grant of £30,000. This happens in about one or two cases a year.

5. The cost of the C.A.R.E. service (current draft revised) is as follows:

C.A.R.E. Costs	£
Cost (based on draft revised budget for 2016/17)	177,250
Income	
Income DFG/Housing Assistance fees	50,000
Income from service users/Housing Associations etc fees	5,700
Total Income	55,700
Net cost	121,550

6. The existing contract with ECC for HIA services expired in 2015 but was extended until March 2017 in order to re-contract the service. However ECC announced in November 2016 that it no longer intended to provide funding for Housing Related Support (HRS) services. As well C.A.R.E. the funding cut will also apply to the Council's Careline services and Sheltered Schemes.

DFGs

7. The Council is responsible for administering 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, or provide 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 major work such as extensions. The most common type of work is level-access showers. DFGs are separate and different from the funding of adaptations to Council properties.

8. On average, C.A.R.E. assists approximately 60 eligible applicants a year to receive DFGs totalling an average of more than £300,000 a year. The work involves helping to complete application forms, specifying and tendering the work that is necessary to meet the individual's needs, applying for Planning Permission, Building Notices, Housing permission, Party Wall Act approval and supervising the work on site. In addition to this the applicant may be helped to access a variety of other services appropriate to their needs.

9. Local authorities receive funding from the government in order to help them meet the statutory requirement to provide DFGs. Until 2014 this funding came direct from the Government as a ring-fenced grant but now comes through the Better Care Fund (BCF), which is managed by Essex County Council. The allocation is not now ring-fenced entirely for DFG expenditure but can now be used to support DFG delivery as well. This means that, provided the Council has sufficient funding to meet its statutory obligation to give DFGs, the funding could legitimately be used to fund the support C.A.R.E. gives to DFG applicants.

10. The amount received from the BCF for 2016/17 is £665,000. ECC have not yet received notification from the government of BCF allocations for 2017/18 although notification is due 'any time' and ECC have said that they expect it to be 'at least as much as the current year's allocation'. In addition to this an allocation has been made in the General Fund of £120,000 in 2017/18 and 2018/19 to support DFGs. This means that, assuming that the BCF allocation remains the same, the total budget for DFGs will be £785,000 for each of these years. If £51,000 of this was top-sliced in order to make up the shortfall in C.A.R.E.'s funding, at least £730,000 would remain in order to pay for the adaptations provided through DFGs.

11. The DFG process is initiated by Occupational Therapists (O.T.s) from ECC which means that demand is effectively managed by ECC and actual expenditure is always outside of this Council's control. However total expenditure on DFGs is expected to be £630,000 in 2016/17.

Conclusion

12. The service provided by C.A.R.E. is a specialist service. A very small number of other companies provide similar services but have not the close links that C.A.R.E. has built up over many years with the Council's team that administers DFGs and other types of housing assistance that provide funding for essential repairs and maintenance. If C.A.R.E. was not here to help these residents it is certain that there would be a negative impact on the housing conditions of older and disabled people. In short fewer older and/or disabled people in the District would be able to access help and assistance to maintain independent living. This would not be in keeping with the Corporate Plan 2015-2020 key objective (iii)(c) to make appropriate plans and arrangements to respond to the effects of the District's ageing population. Taking this into account, it is recommended that the BCF is top-sliced by £51,000 in 2017/18 in order to make up for the shortfall in funding resulting from the withdrawal of funding by ECC.

Resource Implications:

The £51,000 funding contribution to C.A.R.E. would come directly from the Better Care Fund allocation in the General Fund (£665,000 in 2016/17). This allocation can only be used for DFGs or services to support DFG delivery.

In addition to the BCF allocation the Council has already allocated £120,000 in the General Fund for DFGs in 2017/18 and 2018/19. It is not certain at present how much the BCF allocation for 2017/18 will be but it is likely to be a similar amount to the £665,000 allocated in 2016/17. However, since it is currently anticipated that expenditure in 2016/17 will be no more than £630,000 and expenditure in 2017/18 is likely to be about the same, the available funding of £785,000 for 2017/18 will be more than sufficient to meet the amount spent on DFGs plus the £51,000 contribution to C.A.R.E.

The Council monitors Capital budgets on an ongoing basis and reports to Members quarterly. As part of this monitoring consideration will need to be given as to whether the arrangement of top-slicing the BCF allocation will be viable on an ongoing basis.

Legal and Governance Implications:

Housing Grants Construction and Regeneration Act 1996 (as amended).

The Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008.

Regulatory Reform (Housing Assistance) Order 2002

Housing Act 2004

Safer, Cleaner and Greener Implications:

It has been observed that, however great their need, residents in need of adaptations are put off applying for them if they have to repay the grant making them less safe in their homes. The recommendation is less likely to result in people with disabilities that are eligible for DFGs not applying for assistance than other options.

Consultation Undertaken:

Consultation with C.A.R.E. Advisory Panel. The Panel was in support of the recommendation.

Background Papers:

None

Risk Management: There is a small risk that the BCF allocation for 2017/18, which is unknown at present, will be insufficient when added to the Council's agreed funding of £120,000, to meet the demand for DFGs in addition to the £51,000 funding for C.A.R.E. This is very unlikely however, since the amount received from the BCF for 2016/17 is £665,000 and although they have not yet received notification from the government of BCF allocations for 2017/18, ECC have said that they expect it to be 'at least as much as the current year's allocation'. In addition to this an allocation has been made in the General Fund of £120,000 in 2017/18 and 2018/19 to support DFG expenditure. This means that, assuming that the BCF allocation remains the same, the total budget for DFGs will be £785,000 for each of these years. If £51,000 of this was top-sliced in order to make up the shortfall in C.A.R.E.'s funding, at least £730,000 would remain in order to pay for the adaptations provided through DFGs.

Capital budgets, including the provision for DFGs, will continue to be monitored as an additional mitigation against the very small risk that the Council's allocation for DFG expenditure, bolstered by the BCF, is insufficient to meet DFG expenditure in future years.

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.

Beneficiaries of this decision are private owners, private tenants and tenants of Registered Social Landlords within the boundaries of the Epping Forest District, by ensuring that, wherever possible:

- assistance, both financial and practical, is provided to those who need it most; and,
- there is an increase in the number of people who receive the support they need to live independently.

Officers collect data on the customers that apply for DFGs and use C.A.R.E. through:

- Ongoing Private Sector Grants and C.A.R.E. customer satisfaction surveys;
- Feedback from C.A.R.E.'s Service User Forum;
- The 'Foundations' database (Foundations is the national 'umbrella' group for Home Improvement Agencies);
- The Private Sector Stock Condition Survey 2011;
- Feedback from post building contract evaluations; and,
- Equalities monitoring.

The 2011 Private Sector House Condition Survey 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 £3.6m, or

£720,000 a year, to meet this need.

Although expenditure on DFGs continues to rise, at an anticipated £630,000 in 2016/17, it has not yet reached the amount that it has been estimated is needed to meet the needs of the District's residents. Any action that would discourage people with disabilities from applying for DFGs would effectively discriminate against people with this particular protected characteristic. It is considered that the recommended action, to top-slice the BCF will not discriminate in this way whereas increasing DFG fees to 32% would be discriminatory as it would discourage eligible people from applying.

DFGs advance equality of opportunity to people with the protected characteristics of disability but also age, since disability is often linked with age. DFGs help people with disabilities continue to live independently if they wish, allowing them to make choices about the way they live their lives in the same way as people without disabilities.