

Cherwell District Council

Executive

6 June 2016

Disabled Facilities Grants and Better Care Funding

Report of Head of Regeneration and Housing

This report is public

Purpose of report

To provide an update on changes to Disabled Facilities Grant (DFG) funding and to seek the Executive's direction on suggested opportunities to improve the Council's service to disabled residents that arise from those funding changes.

1.0 Recommendations

The meeting is recommended:

- 1.1 To leave the Council's capital contribution for Disabled Adaptations unchanged.
- 1.2 To confirm that any of the total DFG capital budget in excess of what is required to deliver mandatory DFGs should be utilised to make identified improvements to the delivery of adaptations and assistance to eligible disabled residents.
- 1.3 To note that, in accordance with its Scheme of Delegation to Officers and its Private Sector Housing Grants and Assistance Policy, the Head of Regeneration & Housing and the Lead Member for Housing will determine what additional forms of grants and loans may be appropriate to improve DFG service and delivery.

2.0 Introduction

- 2.1 Disabled Facilities Grants (DFGs) are mandatory grants that the Council has to administer in accordance with prevailing legislation¹. However, subject to its own Private Sector Housing Grants and Assistance Policy 2012, the Council also has wide discretion to provide other forms of financial assistance.
- 2.2 Historically the capital funding for (DFGs) has been provided jointly by both central government and local housing authorities, with the government's allocation being passed directly to authorities such as Cherwell. This longstanding arrangement

¹ Principally the Housing Grants, Construction & Regeneration Act 1996 and Regulations made under it.

changed for 2015-16 when DFG capital was incorporated into the new Better Care Fund and passed to Health and Well Being Boards (HWBs) as part of the programme to better integrate health and social-care services. However, HWBs were not only instructed to pass on the DFG capital to the housing authorities but were also required to achieve specified minimum allocations.

- 2.3 In Cherwell's case this resulted in an increased allocation, with the HWB providing £457k to the Council for 2015-16 rather than the £375k we had typically received from central government for a number of years previously. When added to the £375k capital provided by the Council that gave a total DFG budget for 2015-16 of £832k.
- 2.4 This arrangement has continued for 2016-17 but the allocation to Cherwell has been confirmed as £847k (an 85% increase) which, when added to the £375K the Council has again allocated for DFGs, makes the total budget £1.22M (a 47% increase in total over last year's budget). Funding intentions beyond 2016-17 are not known, although this year's allocation is the first from what central-government has said is a four-year settlement.
- 2.5 In Cherwell, demand for DFGs and expenditure has remained relatively stable for the past 4 years despite an ageing population. In 2015-16 the full £832k budget was committed in the form of approved grants, payments totalling £765k were made on 97 completed jobs and £76k carried-forward pending payments on work that was still to be completed.
- 2.6 On the basis of expected demand the Council is unlikely to require a budget of £1.22M to deliver mandatory disabled facilities grants but, in negotiation with HWB and other partners, this budget presents a singular opportunity to reconfigure and improve local provision to disabled residents.

3.0 Report Details

- 3.1 Although the Council, as housing authority, is the body with the mandatory responsibility for providing DFGs, it has only ever been responsible for part-funding those grants. Delivery of an effective DFG service is therefore dependent on co-funding from our partners, but also upon close working with Oxfordshire County Council (OCC) as the Welfare Authority (with which we are statutorily obliged to consult). OCC's Occupational Therapists (OTs) are responsible for assessing the physical needs of individuals presenting to OCC and then for referring potential DFG cases to us. The Council's Home Improvement Agency (HIA) then provides essential practical help to a majority of applicants, many of whom might otherwise have difficulty taking advantage of a DFG². The Council receives significant revenue funding from OCC to help ensure that an HIA service is available (£128k for 2016-17).
- 3.2 We have established a close working relationship with the County Council's OT service (which has, amongst other things, led to joint funding of an in-house OT in the Private Sector Housing Team), and believe this has contributed to managing client expectations and to helping balance demand with the available budget, whilst

² Typical HIA work includes help with form-filling, obtaining estimates, builder selection and supervision and, in some cases, making planning and building-regulation applications.

also ensuring we are able to provide a good quality service from referral to completion of works.

- 3.3 The increase in the DFG allocation applies nationally, not just to Cherwell, and whilst some authorities may require all of their additional allocation to deliver previously under-funded mandatory DFGs, that is not the position in Cherwell, where members have always regarded adequate funding of help for disabled residents as a priority³.
- 3.4 We have received no real explanation of the reasons behind the increased allocation (other than passing mention of the fact that money previously allocated to Adult Care Capital Grant (ACCG) has this year been moved to the overall DFG budget, and it is understood that there may previously have been some overlap between what was funded under ACCG and our DFGs.) Officers have been in discussion with the Joint Commissioning Team at OCC and have been able to establish only that OCC wishes to meet with Cherwell and the other housing authorities about its need to better understand the output value of the capital investment being made and its contribution towards the HWB's key priorities, including reduction in 'care-home admissions, non-elective hospital admissions and delayed transfers of care'.
- 3.5 Subject to further confirmation from OCC, we currently understand that the HWB DFG allocation is not specifically ring-fenced for mandatory DFGs and that they are likely to welcome discussions about its best use, particularly regarding proposals that might enhance delivery of such key performance measures as are to be determined with us.
- 3.6 The additional allocation this year presents an opportunity to look again at our DFG service and to consider changes that may improve what we can currently provide to disabled residents and their families. Although any such proposals will require detailed investigation and further discussion with partners, the following initiatives immediately suggest themselves, although others too may arise:

Suggested proposals:

- 3.6.1 Reconfigure the work of the HIA and amend the Small Adaptations grants it currently delivers so as to raise the maximum grant from £1,000 to £2,500. This will extend the range of work that can be done through the HIA and the number of jobs it can deliver but will also simplify both the operation of our service and the reports we provide to OCC under the terms of our service level agreement. (OCC provide funding for the HIA and its subsidised service). Currently all jobs costing more than £1k have to be dealt with as DFGs, so this change would also have the positive effect of reducing the number of jobs that have to be put through the mandatory DFG process, will speed up delivery of the required work significantly and will also reduce the administrative resources needed to process the mandatory grants. Officers anticipate that £100k allocated to these modified grants will be sufficient but the HIA will be able to earn its typical 12% fees on this expenditure (as it does for grants currently). It is also reasonable to expect an, as yet unquantified, reduction in mandatory DFG spend.
- 3.6.2 Provide repayable loans to supplement DFGs where works in excess of the statutory £30k maximum grant put adaptations beyond the reach of applicants.

³ In both 2009-10 and 2010-11 for example, Cherwell contributed £575k to DFGs against a government allocation of £375k.

Such cases most frequently involve property extensions for families with disabled children and are often dependent upon applications to OCC for what are known as Deferred Interest Loans. The available budget for such loans is restricted and, in our experience, decisions can take many months, with the result that adaptations can be significantly delayed. Such delays are invariably very stressful for clients with significant need for assistance, but also create difficulties for the Council in programming work and anticipating budget allocation and spend. Officers propose exploring the option for the Council to provide secured loans⁴ of up to £20k, in specified cases, as a means of speeding up delivery and ensuring better budgetary control. It is anticipated that the cost might be £80-100k per annum, subject to continued budget provision.

- 3.6.3 Explore options for increasing the supply of adaptation-ready accommodation to reduce the cost of future adaptations and/or for increasing the supply of accommodation such as family-sized (3 or 4-bedroom bungalows) to help address a currently un-met need. This proposal is likely to require the most developmental work but might, for example, lead to the design of a building archetype that would allow the number of bedrooms to be varied according to changing needs. It might also include providing funding to vary the design of a certain number of homes in commercial developments or in the Council's Build programme, so as to meet the needs of disabled future residents, or similar funding (in the form of Local Authority Social Housing Grant (LASHG)) to Residential Providers. This proposal is likely to be the most costly but could be progressed on the basis that it would only be allocated monies not required for delivery of mandatory DFGs or committed to the preceding 2 options.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The total DFG budget resulting from an increased HWB contribution will allow services to disabled households to be improved beyond the scope of what can be achieved through the established mandatory grants. Officers believe, in particular, that there are opportunities to simplify operations and speed up delivery. Although a suggested range of possible improvements will all require further investigation and working-up, they do not require additional funding by the Council, simply for the existing capital allocation to be maintained for 2016-17.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.
- Option 1: To reduce the Council's £375k capital allocation for 2016-17, by a sum to be determined, and thereby reduce the total DFG budget. This option

⁴ Note that the Council already has experience of providing secured loans through its Flexible Home Improvement Loans

would result in the Council foregoing some, or all, of the opportunities to develop and enhance the service provided to disabled residents.

7.0 Implications

Financial and Resource Implications

- 7.1 This report requires no additional funding commitment beyond the capital allocation the Council has already made. Whilst the Council is required to provide mandatory DFGs, the capital it chooses to commit to that end is not subject to any statutory ring-fencing and so could be properly applied to related grants and loans. The HWB has yet to confirm what, if any, restrictions may apply to the specific use of the capital it is providing, but the proposals in this report are not reliant upon use of the HWB allocation for anything other than the provision of mandatory DFGs, albeit that less restrictive use of the funding seems likely to meet with HWB approval, in achievement of their developing objectives.

Comments checked by:

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Legal Implications

- 7.2 Provided the Council continues to meet its statutory obligation to administer DFGs and provided the use of capital provided by HWB adheres to any conditions pursuant to that allocation, there is nothing to prevent the Council proceeding in accordance with the recommendations in this report.

Comments checked by:

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Risk Implications

- 7.3 Failure to deliver mandatory DFGs would place the Council in breach of its statutory duties, but this report seeks approval to extend and improve the delivery of services to disabled residents rather than restrict or diminish them and poses no risk to the Council's ability to meet its obligations.

Comments checked by:

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8.0 Decision Information

Key Decision

Financial Threshold Met: Yes

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

- Cherwell LSP's Sustainable Community Strategy: Ambition 3 - Ensure existing homes are decent.
- Housing Strategy objectives: Ensure homes are safe, warm and well managed.

Lead Councillor

Councillor John Donaldson, Lead Member for Housing

Document Information

Appendix No	Title
None	
Background Papers	
None	
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