



Policy and Resources Committee – 10 November 2014

Disabled Facilities Grants

Purpose of report

To update members on the DFG Case Review Panel and to advise members of the current budget position for DFGs.

Attachment(s)

Appendix A: DFG Activity 2014-15 and 2015-16 forecast

1.0 Background

1.1 Members will recall that a number of changes have taken place to the way disabled Facilities Grants (DFGs) are delivered over the last few years. This has included the budget setting of £400k, the introduction of the Case Review Panel to determine cases once £300k of that budget has been committed; the removal of revenue budget to move to payment through fees from the capital budget, and taking the complex DFGs back in house and therefore ending our partnership with Care and Repair at Spire Homes.

2.0 New DFG Service

2.1 Since 1st October 2014 all DFGs are now processed within the Council and all cases managed by Care and Repair have been transferred back to the Council. The team has made a number of changes. As a result we now have a better understanding of the cases and what stage they are at. This will enable us to manage the case load more effectively than before, and allow us to understand fully the demand for the service, the types of works being requested and the priority of the clients.

2.2 The transition from Care and Repair has resulted in more applications being pushed through than normal, together with their associated fees.

2.3 Over the next few months the team will review the processes and the correspondence with the clients and the Occupational Therapists, and streamline the process where necessary to ensure that all DFGs are dealt with in an efficient manner, budgets allowing. The service as a whole will be reviewed once we understand the potential changes with the Better Care Fund at a countywide level and options will be presented back to members as agreed at June 2014 meeting of this committee. (Minute 34 refers).

3.0 DFG Case Review Panel

3.1 In 2013-14 the budget for DFGs was set for the first time at £400k as all previous carry forwards had been used. This was therefore the first year a case review panel was called. Two panels were called once £300k had been committed, the first in December and the second in February. All applications received after the February panel were not determined until April.

3.2 This year the first £300k of the budget was committed by September and the first panel was held on 14th October 2014. There were 17 cases taken to this panel for determination, which came to a total of £128K, in excess of the panel's £100k budget. There will be no further case review panels this year as all funding has been committed.

- 3.3 Panel members, made up from this committee, have agreed criteria to consider for each application detailed within their Terms of Reference. Members chose to deal with the applications in priority order as determined by the Community Occupational Therapist (OT) from the County Council. Approval of 12 cases was given. However, due to budget constraints it was agreed that a report was necessary to this committee on how to move forward with the remaining 5 cases.
- 3.4 The total cost of these cases is £21,971. As these cases had valid applications in before 1st October, they must be approved this financial year to comply with the 6 month approval timescale laid down within the legislation.
- 3.5 Managing DFG budgets is increasingly difficult and, whilst in the future it will be simpler without having case-dependent Care and Repair fees to pay, we are unable to manage the unforeseen issues that arise when the works commence at these properties. As we have had a number of extensions this year, we have already been provided with variations to the approved costs that have been realised once on site. At present we estimate, from our spend to date, the variations that have been submitted, the approvals about to start and taking into account final Care and Repair fees, that our spend this year, including the 5 cases listed above, will be £41K over budget.

4.0 DFG Demand 2014-15

- 4.1 Appendix A shows the breakdown of cases that have been processed this year and what remains on the waiting list or is currently being worked on. Members will note that this year we have had a number of extensions that have been submitted for approval. When there are concerns that the necessary works cannot be accommodated within the existing property and an extension is required, a feasibility visit is undertaken with the officer and the OT to explore any other option or the most cost effective proposal.
- 4.2 When an extension is the only possibility, these cases tend to exceed the maximum grant amount of £30k and the client must make up the difference themselves or by applying for charity contributions. Unlike some other councils, Northamptonshire County Council does not provide a mechanism for assisting the clients with any top-up required, even though the County Council as the Welfare Authority has determined that the works are necessary for the client. This can sometimes cause a delay in the works starting as we must be satisfied that the balance is available before works can commence.
- 4.3 As there is now a continuing shift to assist people to remain at home for as long as possible to reduce the time they need to spend in hospitals or residential care of any kind, we envisage that more extensions will be required in the future. Due to the costs of extensions, as opposed to other works, these use up a significant proportion of our budget.
- 4.4 Section 36 of the Housing Grant, Construction and Regeneration Act 1996 (HGCRA 1996) allows the council to delay payment of mandatory grant. To do this it requires that the Council approves the grant and in doing so states a date by which it will be paid. However, in doing so the council must ensure the works are completed and paid for no more than 12 months from the date of the valid application. Deferrals of payment are often avoided by local authorities where possible as it automatically reduces the following year's budget, which has a knock-on effect each year.
- 4.5 Strictly managing the budget last year to keep it at £400k resulted in a number of cases waiting for approval until 1st April. Within the first two months of this financial year applications costing £100k had been approved and as a result we reached our commitment maximum earlier this year than last year. This pattern will continue and be worse next year.

- 4.6 A high court ruling in 1998 stated that local housing authorities are not entitled to have regard to their financial resources in determining whether or not to approve an application for a DFG for purposes within Section 23(1) of HGCRA 1996.
(R v Birmingham City Council ex p Taj Mohammed (1998) Times Law Reports 429, QBD)

5.0 Options for remainder of 2014-15 and 2015-16

5.1 There are four options to be considered:

1. Utilise the stock condition survey budget and other capital reserves to cover the predicted shortfall of £41k (section 9.2 refers)
2. Determine whether to formally defer any applications submitted in the remainder of this financial year (section 4.4 refers)
3. Increase the budget for 2015-16 to reflect the carry forward (only an option if items 1 and 2 not resolved)
4. Increase the budget for 2015-16 to reflect forecast demand (appendix A refers), subject to a further report to members

6.0 Equality and Diversity Implications

6.1 An Equality Impact Assessment has previously been completed and approved by this committee. As a Council we strive to deal with all DFGs in a timely manner in priority order to ensure those who are assessed to be most at risk are dealt with first. Whilst this remains the process there are no equality and diversity implications that requires a review of the existing document.

7.0 Legal Implications

7.1 As members are aware, DFGs are mandatory grants. There are only a few legal timescales attached to DFGs, the key requirement being that all valid applications must be approved within 6 months of the application date. Previously we have been very efficient at approvals being mindful of our budget and the balancing of work. If we were to invoke the deferral of payment option detailed in paragraph 4.4, that would add further legal timescales that we must adhere to.

8.0 Risk Management

8.1 DFGs are a risk stated on the Council's risk management system due to the continued pressures on budgets and the difficulty of accurately predicting the demand, the number of applications and the time they come in. Work continues countywide to reduce the costs of DFGs by developing a Countywide Framework agreement that will aim to reduce the costs of works provided.

9.0 Financial Implications

9.1 As noted in para 3.5 above the DFG budget is forecast to overspend by £41k in 2014/15. The Council will need to identify additional monies to fund for this projected overspend.

9.2 The table below shows the change in DFG budgets over the last 5 years, where the funding has come from and the number grants that have been approved.

Year	Budget (Gov: ENC: NCC)	Number of Grants
2014-15	£400K (£178K: £2K: £220K)	69
2013-14	£400K (£172K: £228K: £0)	86
2012-13	£505K (£218K: £287K: £0)	119
2011-12	£612K (£197K: £415K: £0)	119
2010-11	£642K (£470K: £172K: £0)	93

- 9.3 The suggested funding source for the forecast overspend in 2014/15 is an unused earmarked reserve of £39,000 from the stock condition survey budget which members could consider to use to fund the 5 outstanding cases and almost all of the estimated variances on approved works for this financial year. Any excess costs could initially be met by potential underspends from other schemes in the Approved Capital Programme or met from capital reserves.
- 9.4 Early indications show that in 2015-16 we will receive £223K grant from the Government through the Better Care Fund, which from April all DFG money has been included within. If we maintain a budget of £400K, ENC will need to commit £177K of capital funding unless this can be reduced through additional funding from NCC. However, our projections indicate that £400k is unlikely to be a sufficient budget in future years unless the funding arrangements for DFGs change. This will be subject to a further report alongside up to date DFG case projections for 2015-16 as part of the budget and MTFS processes.

10.0 Corporate Outcomes

10.1 Good Quality of Life

DFGs provide vital funding to residents within the district to make essential adaptations to their property to enable them to continue to live independently and to protect them from harm as a result of a disability or illness. There is a national drive from central government for people to stay in their homes for longer and reduce hospital admissions.

10.2 High Quality Service Delivery

The administration of the DFG programme has been improved over the years and is now in the process of being fully reviewed following the move to bring all elements of DFGs back in house.

11.0 Recommendation

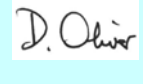
11.1 The committee is recommended to

- (1) Approve the allocation of the stock condition survey budget (£39K) and commit to meet any remaining deficit from any potential underspend on the Approved Capital Programme, in the first instance, or capital reserves to meet the costs of the 5 cases referred to in section 3.4 and manage the predicted overspend referred to in section 3.5

(Reason: To ensure legal compliance with DFG timescales)

- (2) Determine which of options 2 to 4 listed in section 5.0 should be applied for the remainder of this financial year and 2015-16

(Reason: To ensure sufficient funding is provided to meet the demand)

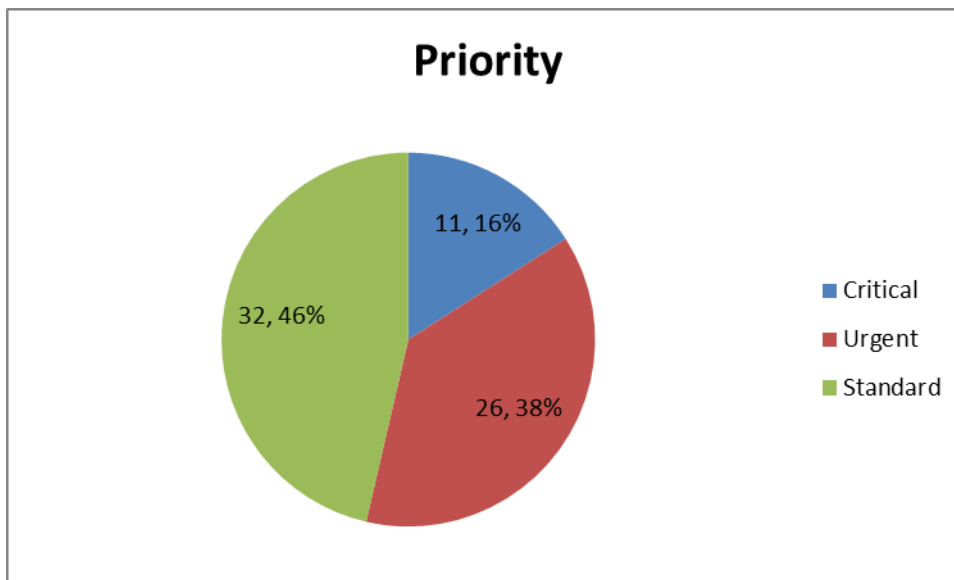
Legal	Power: Housing Grants, Construction and Regeneration Act 1996 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002				
	Other considerations:				
Background Papers:					
Person Originating Report: Jenny Walker, Environmental Protection Manager ☎ 01832 742209 ✉ jwalker@east-northamptonshire.gov.uk					
Date: 20/10/2014					
CFO 31.10.2014		DMO 30.10.2014		CX 30.10.2014	

DFG Waiting List as at 17th October 2014

Approvals

This year, including the Case Review Panel held on the 14th October 2014 there have been 69 approvals totalling £406K. This does not include unforeseen variation to these works once on site. For larger jobs we often encounter additional costs that were not known during surveying and tendering. Due to the large number of extensions that have been approved and commenced this year to date we have seen the costs rise above those on the original grant approval. The current working figure including those 5 cases needing approval (£21,971) is £441,000. This also includes the final invoices for case fees from Care and Repair.

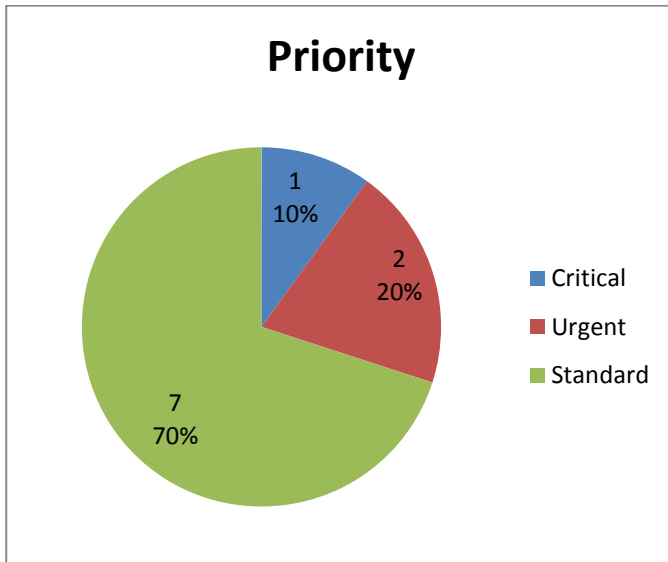
The graph below shows the breakdown of the priority for the approved cases this year and the listed approved works.



Type of works	Cost
Bathroom conversion	£12,072.11
CTH	£3,422.89
Extension	£86,757.98
Garage conversion/extension	£27,441.17
Kitchen adaptations	£1,553.04
LAS	£173,850.80
LAS and adaptations	£5,336.02
LAS and ramp	£13,949.68
Ramping	£12,911.60
Ramping/ door widening	£7,638.17
Stairlift	£25,881.35
Stairlift & LAS	£8,054.22
TFL & door widening	£20,826.27
Wash/dry toilet	£3,880.00
Alterations for stairlift	£2,424.70
Grand Total	£406,000.00

Application in Progress

This section shows the applications most likely to be ready for approval within this financial year. There are currently 10 applications in progress. These are cases that are currently being worked on and are likely to be ready for approval before the end of the financial year. The total estimated cost of these works currently stands at £108,000.

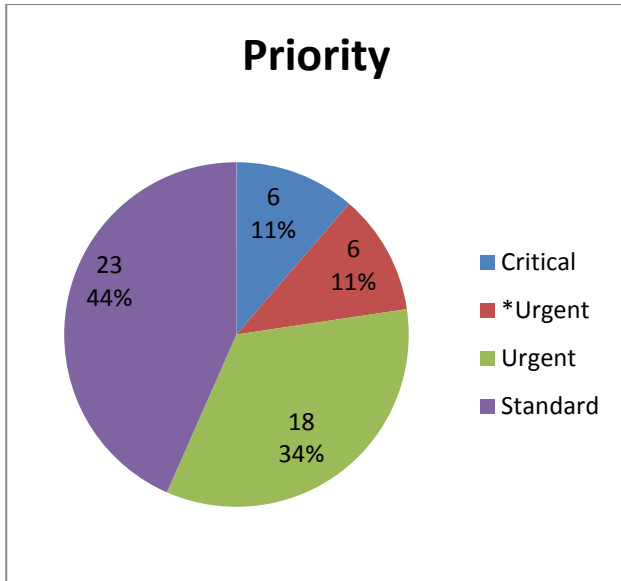


The works required are:

Extension	2	£	60,000.00
LAS	3	£	14,092.76
Other	1	£	4,500.00
Bathroom Adapt	1	£	20,000.00
Stairlift	2	£	6,500.00
Wash/Dry Toilet	1	£	3,000.00
Grand Total	10	£	108,092.76

Waiting List

This waiting list shows the likely demand for 2015-16 to date. There are currently 53 cases on our waiting list. These cases have not been progressed and no work has taken place on them to date. All cases are dealt with in priority order, critical, urgent and standard.



The types of works required can be seen below and come to a total of just over £300k.

Works	Values	
	Count of	Sum of Amount
LAS	28	£ 101,750
Ramp	8	£ 26,000
Stairlift	5	£ 18,000
Wash/Dry Toilet	1	£ 3,000
LAS and Ramp	3	£ 49,000
Kitchen Adaptations and LAS	3	£ 60,000
Other	2	£ 6,000
Kitchen Adaptations	1	£ 4,000
Extension	1	£ 30,000
Bathroom Adaptations	1	£ 4,000
Grand Total	53	£ 301,750