

MEETING:	ADULT SOCIAL CARE AND STRATEGIC HOUSING SCRUTINY COMMITTEE
DATE:	2ND OCTOBER 2009
TITLE OF REPORT:	UPDATE ON DELIVERY OF MAJOR ADAPTATIONS USING DISABLED FACILITIES GRANTS
PORTFOLIO AREA:	STRATEGIC HOUSING

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To note the current position relating to the significant increase in demand for this service.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT the Committee:

- (a) Note the statutory requirement to deliver Disabled Facilities Grants across all tenures;**
- (b) Note the current shortfall in the Disabled Facilities Grant budget to address the emerging need; and**
- (c) Note the measures implemented to manage the waiting list and maximise the available budget.**

Key Points Summary

- Due to a number of factors there is a significant increase in the demand for major adaptations to the homes of disabled people.
- The Disabled Facilities Grant budget deficit for 2009/10 is assessed as £1,016,000.
- A bid has been submitted for additional funding to the LPSA capital bid round.
- Other measures implemented will ensure the effective use of budget, and significantly reduce the delays experienced by disabled people requiring adaptations to their homes.

Further information on the subject of this report is available from
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Alternative Options

1. Due to the statutory requirement to deliver major adaptations through all housing tenures using Disabled Facilities Grants there are no alternative options that the local authority could impose on the disabled person.

Reasons for Recommendations

2. To provide clarity on the issues impacting on the current delivery of major adaptations and to advise of the measures being taken to manage the position as far as practicable.

Introduction and Background

- 3 This report outlines the increasing numbers of disabled applicants needing major adaptations to their homes being referred to the Council's Private Sector Housing Service, and the pressure on budget resources to keep pace with the surge in demand.
- 4 There is a statutory duty under the requirements of the Housing Grants, Construction and Regeneration Act 1996 for the Local Housing Authority to approve Disabled Facilities Grants. Relevant works include those to enable the disabled person access to and within the home, and to make the home safe. The Authority must be satisfied that the major adaptation works are necessary and appropriate to meet the needs of the disabled person, and that it is reasonable and practical to carry out the works at the property.
- 5 The delivery of major adaptations to the home of a disabled person involves two distinct stages. The first involves an assessment by an Occupational Therapist (OT) within the person's home. The assessment of need is then referred to the Private Sector Housing team to deliver the adaptation, using a Disabled Facilities Grant (DFG). The DFG is means-tested for all disabled adult applicants, but not for disabled children.
- 6 The Community Occupational Therapy Service was restructured in 2007 to form one centrally-managed team. This has enabled a consistent approach to assessment of current and future needs across the county. All major adaptation requests with a value of less than £5,000 are discussed and agreed at team leader level to ensure they are 'necessary and appropriate' in accordance with legal requirements. Larger adaptations costing more than £5,000 are discussed at monthly joint adaptations panel meetings to ensure the best outcome and use of funding.
- 7 The Disabled Facilities Grant has historically consisted of a 60% allocation from government and a 40% contribution from the local authority. For many years prior to and including 2007/8 the total budget level remained at a static position of £525,000, and was adequate to meet local demand.
- 8 Eligibility for Disabled Facilities Grants is across all tenures, except local authority-owned stock, of which there is none in Herefordshire. Historically the Housing Corporation made some low-level adaptation funding available to some individual Housing Associations (RSLs), and therefore applications from social housing tenants were low. However this funding is no longer available and all RSL landlords are now directing applications for major adaptation works for funding under the DFG programme. However they are providing funding for and undertaking minor adaptation works for their tenants without exception. Minor Adaptations are generally those with a cost threshold of £1,000. Only one of the RSLs is currently undertaking works to a value of £2,000.
- 9 A specific Housing Occupational Therapist post was provided in 2006, located within Private Sector Housing. Part of the remit of the post included the development of an Accessible

Properties Register with the aim of ensuring that adapted properties across all tenures could be re-used to maximum effect. Initial work was undertaken to look at a consistent classification of adaptations to properties particularly in the social-rented sector, and how they may be allocated through the Choice-Based Lettings system. The expertise of an occupational therapist is integral to the success of securing an appropriate level of adaptation to meet the needs of individuals.

Key Considerations

- 10 The numbers of referrals for DFG funding has increased sharply since 2008. This has been due to:
 - Additional funding being invested by the PCT to the Occupational Therapy (OT) Service to address the backlog of requests for disabled people requiring an assessment. The results of this initiative have increased the number of referrals normally received by the Private Sector Housing team since May 2008 by 162, with a further 30 expected – a total of 192 additional referrals, with a value of approximately £1.018 million.
 - The majority of Registered Social Landlord (RSL) disabled tenants requiring a major adaptation are also directed to Private Sector Housing, for the adaptation to be funded under the Disabled Facilities Grant. Of 121 cases currently either being processed 48% are for RSL tenants, and for 143 cases currently held on a waiting list 66% are for RSL tenants, indicating that the latter cohort have fewer priority points.
 - There has also been a gradual upward trend in the number of new (non-waiting list) assessments being undertaken and referred for grant assistance. During the last two years this increase has been up to 20% per year, and reflects some demographic and independence trends within the community.
- 11 A bid for an increase in the allocation of government funding for the current year DFG budget was successful, and a 49% uplift was awarded. This was the maximum uplift awarded in the West Midlands, with Herefordshire and Birmingham being the successful local authorities.
- 12 The Disabled Facilities Grants budgets for 2008/9 and 2009/10 have also been supplemented from other sources to accommodate some of the additional needs as follows:
 - In 2008/9 the original budget of £525,000 was enhanced to £924,000 to address the emerging increased need. At the same time a priority-based waiting list commenced in June 2008 for those unable to access funding during that year. The budget did not meet the need for all in-year referrals and there were 69 on the waiting list at the end of the year.
 - For 2009/10 the original budget of £780,000 has been enhanced to a total of £1.3 million. However the budget requirement for those referrals received to date (including those on the waiting list), and forecast levels of referrals to the year end are expected to have a value in excess of £2.3 million. The current budget deficit is therefore approximately £1 million.
 - The DFG budgets for 2008/9 and 2009/10 have been supported by non-recurrent funding from Strategic Housing Reserves, which have now dwindled and will therefore not be available for future budget support in this area.
- 13 Applicants names are taken from the waiting list on a strict 'high priority score first' basis. Therefore some disabled people awaiting funding have already been on the priority waiting list for up to one year if they have a low priority score. If further funding is not available, there is a

risk that their applications for grant assistance may be further delayed as they accrue additional points at the rate of one per 6 months on the waiting list.

Community Impact

- 14 The provision of Disabled Facilities Grants to deliver major adaptation makes a major contribution to the Council's discharge of its responsibilities relating to vulnerable people. Ensuring timely assessment and delivery of necessary works is crucial to the Council's performance in this high priority area. For example, completion of adaptation works under the Disabled Facilities Grant program is reported for National Indicator 136, that relates to 'people supported to live independently'.

Financial Implications

- 15 The 2008/9 DFG budget comprised:

£315,000	Specified capital grant from government (60% SCG allocation)
£210,000	Housing Capital Reserves (40% Local Authority contribution)
£210,000	In-year virement from 2008/9 Capital Renewal Budget
£200,000	Additional contribution from Housing Capital Reserves
£50,000	Additional grant award from government
£49,000	Renewal grant repayments (due when grant conditions breached)
Total	£924,000

The 2009/10 DFG budget comprises:

£468,000	Government grant allocation (60%) – including a 49% uplift on 2008/9 allocation
£440,000	Local authority contribution (40%)
£161,000	Underspend (DFG grants approved but not spent in year)
£232,000	Successful capital bid
Total	£1,301,000

2009/10 Assessed total budget requirement £2,317,000

Assessed 2009/10 shortfall is £1,017,000

Assessed budget requirement for 2010/11(excluding 09/10 shortfall) is £900, 000 to £1,100,000 (at current referral levels)

Base budget for 2009/10 was £780,000 (including a local contribution of £312,000)

An unchanged government allocation for 2010/11 would require a local contribution of up to £632,000.

A further 49% uplift on the 2009/10 government allocation would require a local contribution of £464,000

Local contributions are only awarded as a result of successful bids for capital funding.

Legal Implications

- 16 The provision of Disabled Facilities Grants is statutory for the Local Housing Authority to deliver to all eligible disabled applicants under the Housing Grants, Construction and Regeneration Act 1996. Lack of sufficient funding cannot generally be used as a reason for non-provision. A provision for deferred payment into the following financial year is not practicable, as it relies on the applicant, many of whom are on a very low income, to provide their own funding, or for the contractor to remain unpaid until further funding is available within the DFG budget.

Risk Management

- 17 Risks include the non-delivery of a statutory function, failure to address a priority agenda, and unacceptable delays for vulnerable people, many with deteriorating health conditions, awaiting their grant entitlement in order to proceed with works assessed as 'necessary and appropriate' for their needs.
- 18 Measure implemented to reduce risks include:
- a. On-going negotiations are taking place with Registered Social Landlords to share risks for tenants awaiting funding for adaptations, and to maximise relocation opportunities for disabled tenants through the Choice-Based Lettings scheme
 - b. A priced tender arrangement for frequently-referred works has been commenced to ensure best use of the available budget
 - c. Liaison with the Community Occupational Therapy service ensures that the priority points system used within the waiting list is managed effectively
 - d. Renewal grant repaid under grant conditions has been directed to the DFG budget
 - e. Funding from Strategic Housing's Capital Renewal Budget, up to a maximum of £200,000, may be redirected to support the DFG budget, as undertaken for 2009/10.
 - f. A successful bid was made to the Corporate Capital Programme bid round to enhance the DFG budget in the sum of £232,000 for the financial year 2009/10.
 - g. A bid has been submitted for additional funding to the LPSA capital bid round to overcome the in-year shortfall with the support of the Stronger Communities Policy and Delivery Group.

Consultees

- 19 None

Appendices

- 20 None identified