

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Leader and Cabinet 9 November 2006  
**AUTHORS:** Executive Director/HIA Team Leader

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### **DISABLED FACILITIES GRANT POLICY & FUNDING**

#### **Purpose**

1. To amend current mandatory and discretionary Disabled Facilities grant (DFG) policies and request additional funding from Council for mandatory DFGs.

#### **Background**

2. The housing grants service is client-led and as such demand is difficult to predict. For adaptation works, Primary Care Trust and Social Services Occupational Therapists (OTs) refer private sector clients requiring adaptations to the Home Improvement Agency (HIA). The HIA team works closely with the OTs, this includes monitoring of the OT waiting list. In consultation with Housing Agencies, over the last 2-3 years, the OT (adult) team have reduced their waiting list from 19 months to 3 months and an expected rise in referrals to the HIA has taken place. This has inevitably led to an increase in DFG applications and the requirement for additional DFG funding over this period. The expectation has been that the volume of OT referrals would now stabilise.
3. However, numbers of South Cambs private sector adult clients on the OT waiting list have risen dramatically from around 40 in April 06 up to 70 in August. This has now led to an increase in adult DFG referrals, up from an average of 7 per month to 14 in July and 10 in August. A higher referral rate is likely to be sustained into the next financial year as the clients on the OT waiting list filter through to the HIA although this will be subject to OT availability.
4. The referral rate into the HIA has been further increased by changes in legislation for child DFG applications. Since December 2005, the means test has been abolished for the mandatory element of the DFG, currently set at a maximum limit of £25,000. The Paediatric OTs were asked to predict the likely volume of referrals, this was anticipated to be 13 over a 2-3 year period starting Jan 06. We have to date received 21 referrals and they anticipate another 2-3 big adaptations in the next 6 months. Costs on the latter are likely to fall in 2007/08. In addition, the Paediatric OT Service has entered 3 new service level agreements with 3 special schools for 8 families each. In the 'long term' they anticipate housing adaptations will be needed for some families as they resettle locally.
5. Altogether, this has meant that the DFG budget has been committed earlier than could have been predicted last year. It also illustrates its potential to be over-committed in the next financial year too.

#### **Considerations**

6. The HIA currently has 6 DFG cases totalling £81.5k ready for approval, which can be completed by the end of the financial year. They are now on hold.
7. At this time within the financial year the HIA can receive OT referrals and complete the works by the end of the financial year, those with quotations attached, (for stairlifts or hoists for example), are particularly quick to process. The child DFG

applications can also move very quickly through to completion as no means testing takes place if the works are below the £25k limit. More cases will be ready for approval in coming weeks and we need to ensure the Council meets its statutory duty of providing mandatory DFGs up to £25k and especially ensuring OT recommended priority cases are funded. It is estimated that a further £100K (in addition to the 81K above) of DFG grants will be required by the end of this financial year.

8. Under the Housing Grants, Construction and Regeneration Act 1996, SCDC is under a statutory duty to provide DFG's. The obligation to provide DFG's to eligible applicants for eligible work (subject to a test of applicants resources, where applicable) is primary and absolute. This means that spending on mandatory DFG's can at best only be delayed into next financial year.
9. Additional monies have already been vired into the mandatory DFG budget – from the remaining discretionary grants/loans budgets (and there are no other identifiable virement opportunities from the Environmental Health Portfolio programme) and the Housing Capital programme, where the Housing PFH agreed virement of £50k. Some funding may become available throughout the year from repaid grants and loans although this is unpredictable. The level of required expenditure on mandatory DFG appears to consistently exceed the budget allocated. Members will need to consider whether they can continue to afford to provide discretionary House Renovation Loans in addition to DFG's or whether in future years, on affordability grounds, it would be better to switch the funding from House Renovation Loans into Disabled Facilities Grants.
10. Some measures are in place to reduce the call on the DFG budget, for example, prior to referral for DFG to the HIA, the OT will have explored with the client the option of moving or being re-housed. In addition, to reduce costs to the DFG discretionary budget, child DFGs require means testing on discretionary costs over £25k, limited to maximum of £15k, however discretionary DFG costs for adult clients are not currently restricted to a maximum amount. Currently, DFGs for Housing Association (HA) tenants have no limit although the HA is approached to cover any discretionary costs over the mandatory limit. Social Services can also be approached to help fund such costs. HA tenant DFG applications, have the agency fee, currently 12% of net cost of works, taken from the grant – the same as a private owner application.
11. DFG referrals can include external access, such as dropped kerbs and parking areas. However, works outside of the curtilage of the property are not eligible for mandatory funding. Discretionary DFGs can be used for this purpose.

### **Options**

12. The options to be considered for policy change/update are:
  - a. Limit DFG costs for adult clients by restricting the discretionary costs to £15k and limit DFGs for HA tenants to £25k mandatory limit. To charge HAs for HIA fees on DFG applications. East Cambridgeshire D.C, Huntingdonshire and Cambridge City Council already operate in such a policy for HA tenants.

OR

- b. Disagree with policy changes as at Options 12a

- c. Agree use of means-tested discretionary DFG monies to provide disabled clients' access to their home and/or parking for it, from outside of the curtilage of the property, to include waiver of property charge.

OR

- d. Agree use of means-tested discretionary DFG monies to provide disabled clients' access to their home and/or parking for it, from outside of the curtilage of the property, costs to be placed as a property charge.

OR

- e. Disagree with use of means-tested discretionary DFG monies to provide disabled clients' access to their home and/or parking for it, from outside of the curtilage of the property,

13. The options to be considered for additional funding for DFGs in 2006/07 are:

- a. The Housing PFH has already given £50k from Housing Capital Programme and has been asked for a further £81k at her meeting to be held on 8<sup>th</sup> November 2006. The outcome of her consideration of the request will be reported verbally to this meeting. If she is unable to meet all or some of this request, then Cabinet is asked to seek Council's support to increase the DFG budget by £81K or provide any shortfall not made up by the Housing PFH. Housing consider that the majority of this can be met from an anticipated under spend on the cash incentive grant scheme and therefore its impact on the rest of the Housing Capital programme should be manageable.
- b. Request Council's support to further approve for up to £100K to be released if required to cover priority cases and cases where statutory duty may not be met. The release of additional £100k to be delegated to the Environmental Health and Finance, Resources and Staffing PFH's.
- c. Not to increase funding for DFGs in 2006/07 thereby increasing the commitment on the 2007/08 budget and delaying approval

### Implications

- 14. By limiting adult DFG discretionary costs and those of HA tenants, the DFG budget will meet the needs of a greater number of clients. By charging the HIA fee to the HA, this will also reduce the demand on the DFG budget. This carries the slight risk that the HA may decide to prepare the application themselves, which would mean there was no HIA fee payable. However, City Council have already introduced this policy and the HAs have been willing to pay the HIA fee, although some have stipulated a maximum limit.
- 15. Delays in progressing cases could leave vulnerable and disabled clients at risk for longer than necessary and there is a danger of not meeting our statutory duty. Delaying cases could lead to next year's DFG budget being committed before the start of the new financial year, which would detrimentally affect progress on DFGs following behind. It is also likely to detrimentally affect the HIAs Performance Indicators upon which HIA funding is dependent.

Financial	As detailed in report.
Legal	As detailed in report.
Staffing	Coping with the increased workload will place the HIA team under additional pressure and performance is likely to slip.
Risk Management	Delays may increase risk to disabled clients. However, those most in need are identified as priority cases and as such the HIA will endeavour to process them with minimum delay.
Equal Opportunities	N/A

## Consultations

16. PCT and Social Services OT Managers have been consulted as well as colleagues in Finance and housing.

## Effect on Annual Priorities and Corporate Objectives

17. Affordable Homes	Adapting a home under statutory grant can make it an affordable option for clients
Customer Service	Ability to maintain good customer service
Quality, Accessible Services	Adaptation works improve the quality of life of clients and, for child cases, their families too.
Village Life	Special adaptations funded by Disabled Facilities grants may help disabled people avoid the need to move from their village.
Sustainability	Disabled adaptations are often needed to allow people to remain their own homes, (rather than requiring specialist accommodation), or to return home after a stay in hospital thereby providing a more sustainable solution.
Partnership	The HIA works in partnership with the PCT and County Council, with some DFGs supported by Social Services funding.

## Conclusions/Summary

18. The DFG budget does not reflect the demand from South Cambs private sector applicants. Measures are in place to offer other housing options to avoid the DFG route, (or to reduce the cost falling to DFG), despite this the referrals into the service have risen. Inevitably the overall cost demand will rise. Meanwhile, the DFG budget is fully committed, 6 DFG applications are currently on hold and other applications being processed.

## Recommendations

19. It is recommended that Cabinet,
- (a) agree to restricting the discretionary DFG costs for adult clients to £15k,
  - (b) agree to limit DFGs for HA tenants to £25k mandatory limit,
  - (c) agree to charge HIA fees to HAs, on grant-aided HA adaptations.
  - (d) agree use of means-tested discretionary DFG monies to provide disabled clients' access to their home and/or parking for it, from outside of the curtilage of the property, to include waiver of property charge.
  - (e) if the Housing PFH is unable to meet all or some of the request for £81K, then Cabinet is asked to seek Council's support to increase the DFG budget by £81K or provide any shortfall not made up by the Housing PFH.
  - (f) request Council's support to further approve for up to £100K to be released if required to cover priority cases and cases where statutory duty may not be met. The release of additional £100k to be delegated to the Environmental Health and Resources, Staffing, Information & Customer Services PFH's.

**Background Papers:** the following background papers were used in the preparation of this report: Housing Grants, Construction & Regeneration Act 1996; Regulatory Reform (Housing Assistance) (England & Wales) Order 2002

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