

Cabinet – 18 July 2007

Demand for Disabled Facilities Grants

Portfolio:	Councillor Barbara McCracken – Social Care, Health and Housing
Service:	Strategic Housing
Wards:	All
Key decisions:	Yes
Forward plan:	No

Summary of report

There has been a large increase in demand for the disabled facilities grant (DFG) /aids and adaptations service, the resulting citizen impact and pressure on capital budgets.

Therefore cabinet are requested to approve a virement of £1.4m from the 2007/8 mainstream Private Sector Renovation Grant (PSRG) budget to the Aids and Adaptations budget to allow a further 60 major adaptations to the homes of disabled people to go ahead in this financial year. This is a key decision due to the size of the virement requested. During 2006/07, due to a reduction in Government grant for private sector renovation, Cabinet approved a virement of £0.532m from the Aids and Adaptations Budget to Private Sector Renovation to ensure that Decent Home targets could be met. However, for 2007/08 the council has secured additional external funding through the regional EVOLVE and kickstart programmes. This means that mainstream funding can be vired to meet the additional demand for aids and adaptations without impacting on the delivery of the Decent Homes target.

Recommendations

Cabinet are recommended:

- (1) That Cabinet note the contents of the report outlining the current pressures on the DFG/adaptations budget and the actions taken to mitigate this.
- (2) That Cabinet approve a virement of £1.4m from PSRG in order to ensure enough funding is available to deal with urgent cases / valid applications from customers needing adaptations during 2007/8.
- (3) That Cabinet receive a further report in Autumn 2007 outlining a proposed policy on setting a ceiling on the maximum grant payable.

Resource and legal considerations

All the available funding for adaptations is allocated for this year. A virement of £1.4m is requested from the PSRG allocation. This will allow a further 60 waiting cases to go ahead in 2007/8 whilst allowing a contingency amount for emergency cases that will be referred to the DFG service during the year.

The requirement to approve a disabled facilities grant for any person presenting the Council with a 'valid application' is statutory duty.

From 1.4.07 all cases have been proposed to be dealt with in priority order against the available budget. A conflict exists should an applicant with a low priority case present the council with a valid application and it not be approved within the statutory 6 months due to resources being channelled to more urgent cases. Such cases will be approved 'out of turn', subject to available funding, to avoid legal challenge.

Citizen impact

Disabled persons assessed as requiring an adaptation to their home, but with a non urgent need, will continue to go on a waiting list for the works they require. Expectations will be raised by being assessed quickly by an Occupational Therapist (OT) to then face a substantial wait for the grant to actually complete the work. This expectation will be managed by the provision of information regarding likely timescales at the point of OT assessment.

Community safety

None directly linked to this report.

Environmental impact

None directly linked to this report.

Performance and risk management issues

Performance Management - rapidly improving OT performance will impact on DFG processing times. DFG processing times have steadily reduced during 2005/6 and 2006/7. If action is not taken, they will increase significantly for 2007/8 and beyond as cases are placed on the priority register. This will impact on Housing CPA score and the Adult Social Care indicator relating to the average length of time waiting for adaptations from assessment to work beginning. Current performance is 39.66 weeks. This will rise to an estimated 66 weeks if the virement is not approved.

The decent homes pledge/ LAA target will be unaffected by the virement. Due to strong bids made by Strategic Housing, additional grant funding has been secured for 2007/08 through the regional EVOLVE and Kickstart programmes. The grant will be directed at increasing the number of private decent homes whilst the mainstream resources are moved to adaptations.

Risk Management - the priority register will be used to manage the cases waiting for grant.

Equality implications

The Aids and Adaptations budget is used to fund adaptations in the homes of disabled people. Disabled persons assessed as requiring an adaptation to their home, but with a non urgent need, will go on a waiting list for the works they require. Expectations will be raised by being assessed quickly by an OT to then face a substantial wait for the grant to actually complete the work. This expectation will be managed by the provision of information regarding likely timescales at the point of OT assessment.

Consultation

SLT have been consulted on this issue along with the Portfolio holder and Interim Head of Finance (Social Care & Inclusion).

Vision 2008

Approval of the virement will ensure continuity of the adaptations service contributing to the 'ensure all people are safe and secure' vision priority.

Background papers

SLT report 5 July 2007.

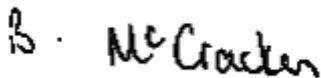
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Signed:
Kathy McAteer
Executive Director

Date: 6 July 2007

Signed:
Councillor Barbara McCracken
Portfolio holder

Date: 6 July 2007

Demand for Disabled Facilities Grants

Context

Historical Overview

In the years leading up to 2005/6 there was a significant under resourcing of services to deliver aids and adaptations to disabled people. Inadequate staffing levels within both the Occupational Therapy (OT) and Disabled Facilities Grant (DFG) services meant that in late 2004 approximately 2000 disabled people were waiting to be assessed by an OT and 450 who had had an assessment and were waiting for a DFG.

At that time both the DFG and OT function sat within one service. This resulted in probity issues whereby both the clinical and the grant assessment were made by the same service.

In December 2004 a decision was made to move the DFG service, staff and budgets, to Strategic Housing. Cabinet agreed to invest £16m in the aids and adaptations budget over the next four years to clear the 'backlog' of cases on both OT and DFG waiting lists. £16m was the best estimate of likely costs to clear the backlog available at the time and to meet the existing level of demand.

This additional mainstream capital funding for the Aids and Adaptations capital budget was in addition to the capital funding of £0.867m per annum for DFGs. 60% of the annual DFG budget (£0.520m) is provided as grant subsidy with the remaining 40% (£0.347m) matched funded from Council capital resources.

On completion of the backlog it was anticipated that the capital input would be reduced and the service would return to just dealing with new cases.

The DFG budget is used to fund adaptations to the homes of disabled people. This is a statutory function. The maximum amount of DFG available is £25k per application.

The Aids and Adaptations budget is used to 'top up' any costs over the DFG limit. Further work is being completed to develop a policy on setting a ceiling on funding levels, except where this would result in higher costs to the Council, for example due to an admission to residential care. In addition it funds a lift maintenance contract with Concept Elevators and also any expenditure under £1000 that the Occupational Therapy (OT) service is required to provide for 'minor works' such as grab rails and half steps for disabled customers. It is also used to fund staff costs in the Occupational therapy service and a proportion of staff costs in the Housing Improvement service. The Aids and Adaptations budget is 100% funded from mainstream resources.

The DFG service transferred to Housing in April 2005. Only 2 staff managed DFGs at the time. There was no IT system, no written procedures and no performance management structure.

During 2005/6 the DFG service recruited additional staff, procured a new IT system, implemented new procedures and a performance management system. National good practice was implemented and Housing Associations began paying for adaptations costing less than £1000 themselves. To reduce grant processing time, all works under £5000 were completed without a means test. Tendering exercises were also undertaken to reduce the unit cost of building works and architectural services used to complete adaptations.

As a result of this work 2005/6 saw a 130% increase in the number of adaptations completed compared to 2004/5. Anecdotally this resulted in significant savings on care packages by allowing disabled people to remain at home.

Table 1 below shows the funding available for DFGs / adaptations each year from 2004/5, the number of referrals for DFG received, DFG completions and actual budget spent in the year.

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Table 1

Year	Budget Aids and Ads (A&A) (£'s)	Total Spend A&A	Variance to A&A Budget (+/-)	Budget DFG *¹ (£'s)	Total Spend DFG	Variance to DFG Budget (+/-)	No. of DFG referrals (both DFG and A&A used to fund referrals)	Total DFG Completions
2004/5	0.924	1.289	0.365	1.015	0.539	(0.476)	158	52
2005/6	4.805	2.043	(2.762)	0.867	1.777	0.910	950	120
2006/7	3.375	4.140	0.765	0.867	1.486	0.619	663	192
2007/8	1.876* ²	n/a	n/a	1.0	n/a	n/a	480 (estimate)	200 (target)
Bid 2008/9	3.897	n/a	n/a	1.0	n/a	n/a	480 (estimate)	200 (target)

Note: £6.183m of the £16m allocated to Aids and Adaptations for the 4yrs from 2005/06 onwards, has been spent to date.

*¹ 60% of the annual DFG budget (£0.520m) is provided as grant subsidy with the remaining 40% (£0.347m) matched funded from Council capital resources.

*² Budget reduced in 2007/08 due to overspend carry forward from 2006/07

In 2006/7 Cabinet approved a virement of £0.532m from the Aids and Adaptations budget to Private Sector Renovation Grants (PSRG). Following notification in March 2006 that the Regional Housing Board was reducing the grant funding for PSRG awarded to the Council by 60% in 2006/7 with no prior warning, the expected budget of £3m reducing to £1.4m. Private Sector Renovation Grants are used to support the Council pledge relating to increasing the number of private sector vulnerable households living in a decent home to 70% by 2010.

The virement was successfully used to meet existing PSRG commitments and to maintain the required progress towards meeting the pledge.

During 2005/6 independent OT agencies were used to clear the backlog of cases awaiting OT assessment and a permanent OT staffing structure was recruited to in early 2006/7. This has reduced the OT waiting list from 1985 in February 2005 to 11 at the end of May 2007. By the end of 07/08 the OT service aim to achieve the D55 indicator on acceptable waiting times for assessments which is to start the assessment within 2 days and complete the assessment within 4 weeks from the date of first contact.

As can be seen in table 1 the increase in OT performance has had a significant effect on the referrals made to the DFG service in 2005/6 and 2006/7. The referral rate is much higher than the completion rate. This has meant that 171 of the original DFG backlog cases have been completed to date in addition to resources being directed at the large volume of higher priority new cases.

The Aids and Adaptations budget significantly under spent in 2005/6. It took time to put the necessary staff, systems and procedures in place to run such a large capital programme. It was unrealistic to expect to spend the £16m in equal amounts over 4 years and in hindsight the funding should have been profiled to increase year by year to keep up with the services increasing capacity to spend it. The programme gathered momentum through 2005/6 and into 2006/7, with 192 adaptations being completed in 2006/7. Having experienced an under spend in 2005/6, the growing momentum, as well as the virement to PSRG, resulted in an overspend of £1.4m on Aids and Adaptations in 2006/7. £6.183m of the £16m allocated to Aids and Adaptations for the 4yrs from 2005/06 onwards, has been spent to date.

The current position

The increase in referrals during 2006/7 has had a critical impact on the DFG service. At the beginning of the new financial year, 130 adaptations are already approved and will go ahead during 2007/8. These 130 cases commit all the funds available for 2007/8 meaning no more cases can go ahead this year unless additional funding is identified. All new cases are currently on hold and a prioritised waiting list is being implemented. This is resulting in complaints to the service and hardship for waiting cases.

At the same time, the referral rate for DFG reached unprecedented levels in the first part of 2007 due to both increasing demographic demand and more people being supported to live at home rather than entering residential care. By the end of 2007/8 it is expected more than 1600 cases will be waiting for a DFG. The estimated cost to complete these cases is £32m.

In line with corporate capital allocation policies, the 2007/08 budget has been reduced by the value of the overspend in 2006/07. As such the 2007/08 budget for Aids and Adaptations will reduce to £1.876m.

A virement of £1.4m from the mainstream PSRG budget will make up this short fall and also 'pay back' the 2006/7 virement to PSRG detailed above. The decent homes pledge/ LAA target will be unaffected by the virement. Due to strong bids made by Strategic Housing, additional grant funding has been secured for 2007/08 through the regional EVOLVE and Kickstart programmes. The grant will be directed at increasing the number of private decent homes whilst the mainstream resources are moved to adaptations.

The virement will allow a further 60 waiting cases to go ahead in 2007/8 whilst allowing a contingency amount for emergency cases that will be referred to the DFG service during the year. These will, for example, be cases waiting to be discharged from hospital that need an adaptation at home to facilitate the discharge.

A priority register is being put in place to ensure referrals made to the DFG service are processed and approved in order of urgency as instructed by the OT service.

The future

It is now clear what was seen as a 4 year project to clear a 'backlog' of DFG cases is in fact a long term project to meet the needs of disabled people in Walsall.

As both Aids and Adaptations and DFGs are classed as rolling programmes, an indicative amount is included in the 2008/9 programme of £4.897m (£3.897m A&A and £1m DFG). This is insufficient to meet the demand on the service. There is capacity to spend a further £2m within the service and bids for this will be made accordingly. It must be noted that the £4.897m is not an approved bid, merely an indication at this stage and will be subject to a further bidding process during the 2008/09 capital programme review and all approvals will be subject to available capital resources.

The OT service expects that referrals for DFG will be approximately 480 per year for the coming year. This will increase year on year as the service attempts to meet the needs of an ageing population. The 65-84 year old population is expected to increase by 14% by 2020 and the over 85 year olds by 60% in the same period. In addition 16% of working age adults in Walsall report having a limiting long term illness as opposed to 13% in England as a whole.

The DFG and OT service are working together to reduce pressure on the existing capital budgets. This includes bidding via the investment choices exercise for alternative revenue funding for £0.567 of OT staffing costs that are currently charged to the capital budget. Alternatives are also being sought to the current free provision of lift maintenance to DFG customers. This currently costs £0.400 per year.

If pressures can be reduced using the above methods and funding is approved at £4.897m p.a. this enables 200 adaptations a year to be completed. Funding of £6.897m (£6m A&A £1m DFG) would enable 300 cases p.a. to be completed and would be achievable within existing staff resources available. Increased investment in line with demand will improve adaptation services to disabled people in urgent need of help. Some cases will however still wait a significant time for adaptations and some lower priority cases will wait longer still.