

**HEALTH, SOCIAL CARE AND INCLUSION
SCRUTINY AND PERFORMANCE PANEL**

**Agenda
Item No.
10a**

DATE: 10TH OCTOBER 2007

**ENSURING STATUTORY DUTIES RELATING TO THE PROVISION OF
DISABLED FACILITIES GRANT (DFG) ARE MET**

Ward(s) All

Portfolios: Councillor Barbara McCracken

Summary of report:

- To advise Scrutiny of the large increase in demand for the disabled facilities grant (DFG) / aids and adaptations service, the resulting pressure on capital budgets and subsequent need to put robust mechanisms in place to ensure the Council meets its statutory duties whilst also minimising the citizen impact.

Background papers:

None

Reason for scrutiny:

- That the Scrutiny Panel comments on the proposals contained within the report prior to presentation to Cabinet.



Signed:

Executive Director: Kathy McAteer

Date: 1 October, 2007

Resource and legal considerations:

- The proposed arrangements detailed in the report will ensure the most efficient use of available resources to maximise the number of disabled people that are helped to remain independent at home.
- The requirement to approve a disabled facilities grant within 6 months of any person presenting the Council with a 'valid application' is statutory duty. The arrangements proposed in the report will ensure a robust and transparent approach to ensuring funding is primarily directed at mandatory works to allow the Council to meet its statutory duties. Discretionary funding will only be provided in exceptional circumstances.

Citizen impact:

- Disabled persons assessed as requiring an adaptation to their home, but with a non urgent need, could face lengthy delays for the works they require to be funded. The arrangements proposed in the report will ensure the most efficient use of available resources to maximise the number of disabled people that are helped to remain independent at home.

Environmental impact:

- None directly linked to this report

Performance management:

- Rapidly improving OT performance has impacted on DFG processing times. DFG processing times have steadily reduced during 2005/6 and 2006/7. They will increase significantly for 2007/8 and beyond as cases are placed on a 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. Adoption of the approach detailed in the report will ensure the maximum possible performance against the local performance indicator relating to the number of adaptations completed each year.

Equality Implications:

- The DFG/ Aids and Adaptations budget is used to fund adaptations in the homes of disabled people. The Social Care and Inclusion Directorate Equality Champion has been consulted on the need for an Equality Impact Assessment as a result of this report.

Consultation:

- The Portfolio holder and the Social Care & Inclusion Senior Management Board have been consulted.

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1. HISTORICAL OVERVIEW

- 1.1 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 been assessed were waiting for a DFG.
- 1.2 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, of which c. £6m has been invested to date. £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.
- 1.3 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
- 1.4 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 £25,000 per application.
- 1.5 The Aids and Adaptations budget 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. In addition it can be used to 'top up' any costs over the DFG limit of £25,000. The Aids and Adaptations budget is 100% funded from mainstream resources.
- 1.6 The DFG service transferred to Housing in April 2005. Only 2 staff managed DFG's 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, a performance management system and national good practice was implemented. As a result of this work 2005/6 saw a 130% increase (from 52 to 120) in the number of adaptations completed compared to 2004/5. In 2006/7 the number of adaptations completed rose again to 192. Anecdotally this resulted in significant savings on care packages by allowing disabled people to remain at home.
- 1.7 £6.183m of the £16m allocated to Aids and Adaptations for the 4yrs from 2005/06 onwards, has been spent to date.

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

Table 1

Year	Budget Aids and Ads (A&A) (£'s)	Total Spend A&A	Variance to A&A Budget (+/-)	Budget DFG * (£'s)	Variance to DFG Budget (+/-)	Total Spend DFG	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	(0.476)	0.539	158	52
2005/6	4.805	2.043	(2.762)	0.867	0.910	1.777	950	120
2006/7	3.375	4.140	0.765	0.867	0.619	1.486	663	192
2007/8	1.876**	n/a	n/a	1.0	n/a	n/a	480 *** (estimate)	200 (target)
Bid 2008/9	4.597	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.

* 60% of the annual DFG budget is provided as grant subsidy with the remaining 40% matched funded from Council capital resources.

** the 2007/8 budget has not been cut. More money was spent in 2006/7 than was profiled. This has been deducted from the 2007/8 budget.

*** 480 is the estimated number of DFG referrals the Occupational Therapy Service expect to make each year now that the backlog of people waiting for assessments has been cleared. This is not a downward trend. Clearance of the backlog resulted in the 950 and 663 referrals experienced in 2005/6 and 2006/7 respectively.

- 1.9 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 and the waiting list has now been cleared completely. 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.
- 1.10 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.

2. THE CURRENT POSITION

- 2.1 The increase in referrals during 2006/7 has had a critical impact on the DFG service and its budgets.
- 2.2 At the end of August 2007 there were 1056 DFG cases known to Housing Standards and Improvement. It is estimated this figure will be 1600 by the end of 2007/8. The estimated cost to complete these cases is £32m. The capital bid for 2008/9 is £5.597m (£4.597m A&A and £1m DFG). These resources allow approximately 200-250 DFG cases to be completed for the year. Within these resources, and without action being taken to make better use of existing resources, it would take 8 years to complete 1600 cases not accounting for those new cases expected to be referred to the service each year during that period.
- 2.3 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 according to the resources available. This is however resulting in large amounts of complaints to the service and hardship for waiting cases.
- 2.4 In July 2007 Cabinet approved a virement of £1.4m from the Private Sector Renovation Grant Budget. This has allowed to Council to meet its statutory duties by approving valid applications within the required 6 months whilst also processing the most urgent cases being referred to the service.

3. STRATEGY FOR MANAGING INCREASED DEMAND

- 3.1 The Council must satisfy itself that it is dealing with as many cases as it can as quickly as it can whilst also ensuring the most efficient use of resources is made to maximise the number of cases completed each year. To achieve this a new approach to the award of funding is required. Grants will be limited to the DFG grant maximum of £25,000. Exceptional cases requiring funding over the limit will be considered as described in paragraph 4.6 below.
- 3.2 Anecdotal evidence suggests high demand for DFG's is a national not a local issue. Housing Standards and Improvement, with the help of Corporate Performance Management, will carry out a benchmarking exercise with nearest

neighbours and comparator group members during the period October to December 2007. This will help assess Walsall's performance against other Authorities, identify innovation and best practice and generate an action plan to ensure the most effective use of local resources.

4. HIGH COST ADAPTATIONS

- 4.1 Historically the Council has 'topped up' DFG grants that require adaptations costing more than the grant maximum of £25,000. Due to the current level of demand detailed above this can no longer continue in all cases. If discretionary resources are used to top up all cases over £25,000 then the Council will fail in its duty to provide mandatory DFG's waiting further down the list.
- 4.2 DFG adaptations currently cost from £1000 to provide a basic ramp to allow access into a property, up to costs in excess of £75,000 to provide a double storey extension incorporating new bedroom and bathroom facilities.
- 4.3 High cost adaptations do however form a relatively small percentage of the total number of adaptations completed per year. Table 2 below shows a sample of 98 adaptations completed in 2006/7 and the range of average costs of each.

Table 2

Adaptation Type	Number Completed	Average Cost
Bath out shower in	39	£5,664.53
Double bed/bathroom in new structure	15	£40,283.11
Stair lift	15	£3,743.00
Bathroom in new structure	14	£23,047.96
Toilet in existing structure	4	£4,104.70
Ramps	4	£3,906.18
Door Widening/Assoc Works	2	£8,475.21
Vertical lift	2	£13,355.11
Bath/shower in existing structure	1	£9,671.29
Kitchen Adaptation	1	£16,981.70
Toilet in new structure	1	£20,851.35
Total	98	Average Cost £13,542.73

- 4.4 The average cost of a DFG from this sample is £13,542.73. Only 15 of the 98 cases exceed the maximum grant of £25,000. These 15 cases had an average value of £40,283.11, the highest cost adaptation being £71,737.80. The majority of adaptations are small bathroom adaptations costing less than £6000.

4.5 A new policy (see Appendix 1) is being proposed for the award of discretionary funding for the relatively small number of cases that exceed the maximum grant. This will be based on the following actions/principles:-

- Persons applying for a DFG will be advised at the point of OT assessment that the maximum grant available is £25,000, except in exceptional circumstances.
- The OT service will specify the minimum adaptation needed to meet the individual's needs over a reasonable period of time.
- The OT service will investigate the availability of charitable sources of funding for all qualifying cases.
- Moving house to a property more suitable for the applicants needs will be considered as an option in all cases. Adapting the existing property will not be the only consideration. Full use of the Adapted Housing Service will be made.
- Equity release loans are now available for vulnerable persons needing help to repair their homes. For 2008/9 Housing Standards and Improvement will investigate the potential for this to be available as an option to DFG applicants who are able to use their own resources to pay any costs over the maximum.
- Full use of relocation grants will be made. A proportion of the annual adaptations budget will be ring fenced for 2008/9 to support relocation grants/adaptations for those persons who are willing and able to move house.
- Making bids to the Adult Social Care Budget to fund costs over the grant maximum where completing the adaptation will result in savings on care packages to the Adult Social Care Budget.

4.6 It is recognised that some cases will need to be funded as a discretionary grant over the DFG maximum. Discretionary funding will be approved in exceptional circumstances only where all other options have been discounted. Exceptional circumstances will include:-

- High likelihood of the disabled person entering, or remaining in residential care if the adaptation does not proceed, and Adult Social Care funding not available,
- inability to raise funds via a loan, savings, charitable sources or other means,
- lack of availability of a suitable alternative property to move to,
- potential disruption to school / care package that would result from moving home and funding not available from any other source,
- any other relevant circumstance will also be taken into account.

- 4.7 Discretionary funding above the grant limit will, via delegated authority, be awarded by the Assistant Director (AD) Strategic Housing from December 2007. Cases will not be accepted for presentation to the AD Strategic Housing unless it can be demonstrated that all other options have been reasonably discounted. The decision will be reported to the applicant in writing within 14 days.
- 4.8 The applicant will have the right to request a review of that decision by the Executive Director Social Care & Inclusion. The decision of the Executive Director will be reported to the applicant in writing within a further 14 days. If the applicant remains unhappy they will be able to challenge the decision-making process by using the Social Care Complaints process to resolve the situation.

Members are asked to make recommendations to Cabinet on the proposed policy.

5. **SUMMARY**

- Significant capital investment has been put into the adaptations service
- Despite this, demand for DFG's is extremely high
- A strategy for managing demand is being put into action
- High cost adaptations are relatively few in number but they are pressurising the budget available
- Discretionary funding should no longer be used to fund all high cost adaptations unless there are exceptional reasons to do so, and no other solution can be identified
- A revised policy for the award of discretionary funding above the grant maximum is proposed as detailed in the report

Appendix 1

Draft Policy for the award of discretionary funding above the DFG limit of £25,000

- 1.1 The maximum mandatory DFG available is £25,000.
- 1.2 The minimum adaptation needed to meet the individual's needs over a reasonable period of time will be specified by the OT service.
- 1.3 Moving house to a property more suitable for the applicants needs will be considered as an option in all cases. Adapting the existing property will not be the first consideration in every case. Full use of the Adapted Housing Service will be made. Where an offer of rehousing has been unreasonably refused a DFG will not be awarded and the applicant will be advised in writing of this decision.
- 1.4 Where the aggregate cost of moving house and, where necessary, adapting the new property, is less than that of adapting the existing property a discretionary relocation grant of up to £5000 may be awarded. A proportion of the annual adaptations budget will be ring fenced to support relocation grants/adaptations for those persons who are willing to move house.
- 1.5 Discretionary funding over the DFG maximum will be approved in exceptional circumstances only. Exceptional circumstances will include:-
 - High likelihood of the disabled person entering, or remaining in residential care if the adaptation does not proceed, and Adult Social Care funding not available,
 - inability to raise funds via a loan, savings, charitable sources or other means,
 - lack of availability of a suitable alternative property to move to,
 - potential disruption to school / care package that would result from moving home and funding not available from any other source,
 - any other relevant circumstance.
- 1.6 Decisions on awarding discretionary funding will be made by the Assistant Director (AD) Strategic Housing. The AD Strategic Housing will consider the circumstances of each case and any other relevant material before making a decision to approve or refuse discretionary funding. Cases will not be accepted for presentation to the AD Strategic Housing unless it can be demonstrated that all other options have been reasonably discounted. The decision will be reported back to the applicant in writing within 14 days
- 1.7 The applicant will have the right to request a review of that decision by the Executive Director Social Care & Inclusion. The decision of the Executive Director will be reported to the applicant in writing within a further 14 days.
- 1.8 Applicants may challenge any decision made under this policy by using the Social Care Complaints process to resolve the situation.