

CARLISLE CITY COUNCIL

Report to:- Carlisle City Council

Date of Meeting:- 13th January 2009

Agenda Item No:-

Public

Title:- Disabled Facilities Grants (DFG'S) – Process – Funding and Lobbying of Government and Virement
Report of:- Head of Planning and Housing Services
Report reference:- DS.02/09

Summary:- This Report details the Statutory responsibilities of the City Council in dealing with Disabled Facilities Grants (DFGs), the increasing demand for them, the lobbying of Government to increase the finance available from Central Government, the investigating of other sources of funding together with a request for additional funding this financial year.

Recommendation:-

It is recommended that:

- i. Officers continue to lobby Government to ensure that an appropriate amount of funding is secured to satisfy DFG demand in Carlisle, and
- ii. All other avenues of funding be explored, including through the British Legion, Primary Care Trust, Housing Associations and the Health Authority, to provide an integrated funding package for DFGs.
- iii. That Full Council approve a virement of £300,000, for allocating in 2008/09, which can be met from the overall capital programme in 2008/09, to cover the shortfall in the DFG budget for 2008/09.

Contact Officer: Allan Dickson

Ext: 7339

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None



REPORT TO EXECUTIVE

PORTFOLIO AREA: Health and Wellbeing

Date of Meeting: 18 December 2008

Public/Private* Public

Key Decision: Yes

Recorded in Forward Plan:

Yes

Inside Policy Framework

Title: Disabled Facilities Grants (DFGs) – Process – Funding
Lobbying of Government, and Virement

Report of: Head of Planning and Housing Services

Report reference: DS 151/08

Summary This Report details the Statutory responsibilities of the City Council in dealing with Disabled Facilities Grants (DFGs), the increasing demand for them, the lobbying of Government to increase the finance available from Central Government, the investigating of other sources of funding together with a request for additional funding this financial year

Recommendations:

It is recommended that:

- (i) Officers continue to lobby Government to ensure that an appropriate amount of funding is secured to satisfy DFG demand in Carlisle, and
- (i) All other avenues of funding be explored, including through the British Legion, Primary Care Trust, Housing Associations and the Health Authority, to provide an integrated funding package for DFGs.
- (ii) The report be referred to Full Council, to request that a virement of £300,000 be agreed for allocating in 2008/09, which can be met from the overall capital programme in 2008/09.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 Report No 136/08 was presented to Executive committee in October 2008, where additional information was requested. This information is contained within this report, along with details of the request for the virement of £300,000.
This additional sum is required, due to the Council only receiving £100,000 of additional funding from Government Office North West instead of the £600,000 requested. Hence the reason for the request for £300,000, not £200,000. This request was submitted due to the projected commitment /carry forward of £600,000 for DFGs at the end of this current financial year.
- 1.2 Disabled Facilities Grants (DFGs) are Mandatory grants that must be approved as detailed in s23 (1) of the Housing Grants, Construction and Regeneration Act 1996 (The Act). In deciding whether to make a mandatory grant, an Authority is not permitted to have regard to their financial resources: R v Birmingham City Council Ex p Taj Mohammed (1999).
- 1.3 The DFG process is initiated by the submission of a referral from an Adult Social Care team Occupational Therapist (OT), to the City Council's Housing Section. There is a statutory duty for the Local Authority to consult with Social Services in relation to DFGs – s24 (1) of the Housing Grants, Construction and Regeneration Act 1996
- 1.4 A visit is then carried out to ascertain the extent of the works, and whether or not the works are technically feasible, taking into account the applicant's property. Plans and specifications (if required) are prepared and priced by contractors, and an application for grant can then be made.
- 1.5 Whilst it is the duty of the Housing Authority (the City Council) to consult Social Services, it is up to the Housing Authority to decide what work is required, and whether or not a grant is payable – s24 of the Act.
- 1.6 The Housing Authority must satisfy themselves that the works are necessary and appropriate, reasonable and practicable (s24 (3) of the Act) i.e. the minimum amount of work necessary to meet the needs of the disabled occupant.
- 1.7 Local Authorities have a statutory duty to approve applications for DFGs within 6 months. This requirement does not, therefore, on the face of it, provide for a waiting

list to be created, and if a Local Authority did, it could be subject to claims of acting ultra vires, and could leave itself open to Judicial Review or Court action.

- 1.8 It has become more and more difficult for the Council to continue to fund the increasing number of DFGs that are being presented. Year on year, numbers of applications are continuing to increase, with the number of elderly and disabled persons also increasing, and predicted to rise even more over the next 20 years, especially in more rural and coastal areas, such as Cumbria.
- 1.9 Even although the Council has committed a substantial amount of funding to DFGs over the past four to five years, there is still insufficient budget to meet the demand for these grants. Part of this is because a considerable amount of this funding has been provided for Carlisle Housing Association properties, and this has had the effect of reducing the amount of funding available for those owner-occupiers who need assistance.
- 1.10 In light of these problems of financing the grants, it is proposed that Officers continue to lobby a number of Agencies. These will include Government Office Northwest and Communities and Local Government, in particular to see how the imbalance of funding between Metropolitan and smaller, more rural two-tier Authorities, can be addressed.
- 1.11 In Cumbria, there is an LAA stretch target to meet, in terms of reducing the amount of time taken from OT referral to grant approval. A significant reduction in this time has been achieved (from an average of 44 weeks to 22 weeks), but this has been at the expense of the budget. More applications going through the system results in more call on the already limited and over-stretched budget.
- 1.12 No additional supplementary estimate will be required for this current financial year beyond this request, however budget bids have been made to deal with the projected shortfall in years to 2015.

2. Action to date/proposed.

2.1 Discussion has already taken place with Officers at Government Office North West (GONW), with a view to addressing the anomalies inherent in the current system of

funding allocation throughout the North West Region. Historically, budget allocations have been made on the basis of Attendance Allowance and Disability Living Allowance claimants, and levels of deprivation. However, research that Officers of the City Council have done, indicates that this formula is flawed, and is resulting in an inequitable division of limited Government resources directed at DFGs.

- 2.2 A bid has already been submitted to GONW for additional funding from the top-sliced allocation for DFGs, and was made for an additional £600,000 to cover our commitment/carry forward projected for the end of the financial year. However, in light of there only being £1m available throughout the whole of the North West Region we have been informed that we will receive a further £100,000 from Government to assist with the Council's budget shortfall in 2008/09.
- 2.3 Due to the transfer of the City Council's housing stock some 6 years ago, the Council is duty bound to deal with DFG applications from Carlisle Housing Association (CHA) tenants (s22(1) of the Act). This has resulted in a large proportion of funding being allocated to these grants, and, up until the end of October 2008, more than £400,000 had been expended by the Council on CHA properties. This figure continues to rise on an annual basis and the amount of funding committed to DFGs in CHA properties is unsustainable.
- 2.4 Discussion with Carlisle Housing Association took place on 7th October 2008, with a view to increasing the amount of funding that they contribute to DFGs for their own tenants/properties. Should CHA agree, as part of our Partnership Agreement, to look at a more realistic and sustainable funding split for CHA DFGs, this would reduce the Council's commitment.
- 2.5 A meeting was held on 13th October 2008, with the Department of Communities and Local Government, to discuss how DFG funding will be provided to Local Authorities in the future. Baroness Andrews (Parliamentary Under Secretary of State) sat in on this meeting, which gave the Council a great opportunity to put the case for additional funding, and highlight the anomalies of the current budget allocation system. Discrepancies were highlighted in the formula for calculating Local Authority's allocation of DFG funding, and the fact that it was skewed in favour of Unitary Councils. In addition we detailed the lack of financial input from Health/PCTs to allow Councils to prevent elderly/disabled people being admitted to hospital (due to falls, burns etc.), by providing DFGs. Not only would this prevent

hospital admission, it would also allow quicker hospital discharge, by fast tracking DFG applications.

- 2.6 The British Legion provide a certain amount of funding to disabled people, who have had a Forces involvement, and this enables applicants to access funding from them, to have aids and adaptations provided. This takes a certain amount of pressure off the Grant budget, but only has a minimal effect. However, Officers are in constant contact with the Legion to utilise their funding stream for adaptations, where appropriate, and where the applicant qualifies for Legion assistance.
- 2.7 In addition, there has been no inflationary uplift in the allocated budget to deal with additional applications, increasing construction costs or increased cost of equipment.
- 2.8 Officers, are currently preparing budget bids for additional capital funding for the provision of DFGs, and these are as follows:
- (a) A bid for £400,000 (capital) for 2009/10 and
 - (b) A bid for £700,000 per annum (capital) for the years 2010/11 – 2014/15.
- 2.9 The reason behind the above bids, is that internal budgets are failing to cope with the increasing demand/commitment on the Council for the provision of DFGs. As mentioned in 1.1, the number of elderly and disabled people is predicted to rise year on year in Carlisle, and the budget needs to increase to match this trend. These grants are Mandatory, and are provided to some of the most vulnerable people in our society.
- 2.10 Current funding for DFGs in Carlisle is provided by way of an Annual Capital allocation; funding provided as part of the 2005/10 Housing Strategy process; top sliced funding from Government Office North West (when available), and any other sources of capital funding that is available through the Local Authority (eg supplementary estimates in Carlisle). These funding streams are very similar to those of other Local Authorities, who are also having to pull money from other sources within the Authority to ensure that statutory DFGs are serviced. Many Authorities in Cumbria (1) are having to use funding previously allocated to Decent Homes work, (2) are applying to Central Government for additional resources, and (3) are looking to Health Authorities, to provide additional funding to ensure that they can meet their DFG obligations.

3. CONSULTATION

Reports have already been provided to Executive and Community Overview and Scrutiny, detailing the issues under consideration.

4. RECOMMENDATIONS

It is recommended that:

- (i) Officers continue to lobby Government to ensure that an appropriate amount of funding is secured to satisfy DFG demand in Carlisle, and
- (ii) All other avenues of funding be explored, including through the British Legion, Primary Care Trust, Housing Associations and the Health Authority, to provide an integrated funding package for DFGs.
- (iii) The report be referred to Full Council, to request that a virement of £300,000 be agreed for allocating in 2008/09, which can be met from the overall capital programme in 2008/09.

5. REASONS FOR RECOMMENDATIONS

To enable the continuation of provision of DFGs, bearing in mind the increased pressures on the budget of the Council.

6. IMPLICATIONS

- Staffing/Resources – Within existing staffing resources
- Financial – 'The report sets out the pressures on the current DFG budget and the proposals in the report attempt to address this issue. The proposed budget bids of £400,000 (2009/10) and £700,000 per annum (2010/11 to 2014/15) are being considered as part of the 2009/10 budget process. An additional £100,000 has been allocated to the Council in respect of DFG, increasing the overall award to £610,000 for 2008/09. The virement of £300,000 required to support this year's programme will require the approval of full Council, as part of the 2009/10 budget process, and can be met from the overall capital programme in 2008/09.'

- Legal – the Housing Grants, Construction and Regeneration Act 1996, gave local authorities discretion in determining applications for housing grants but made an exception in the case of disabled facilities grants, choosing to impose a statutory duty on housing authorities to approve a grant where the purposes of the application fell within the 1996 Act s.23(1). Thus, unless they were expressly required by the legislation to take resources into consideration, a local authority was obliged to approve such an application, irrespective of the resource implications.
- Corporate – Disabled Facilities Grants are statutory grants that the Council have a duty to fund.
- Risk Management – Inadequate provision of finance to meet the level of demand is a risk to the Authority not being able to fulfil its statutory obligations.
- Equality Issues – DFGs are required for works that enable those in need to be able to maintain independent living in their own home.
- Environmental –N/A
- Crime and Disorder – N/A
- Impact on Customers – The provision of works funded by DFGs has a significant impact on the quality of life for applicants, enabling them to live independently in their own homes, in their own communities.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 17 NOVEMBER 2008

EX. 235/08 FUNDING FOR DISABLED FACILITIES GRANTS (Key Decision)

Portfolio - Health & Communities

Subject Matter - Pursuant to Minute EX.214/08, the Director of Development Services submitted a report (DS.129/08) updating Members on the current position with regard to funding for Disabled Facilities Grants for the 2008/09 financial year, and highlighted issues relating to the increasing level of demand. The Director added that the matter had been considered by the Community Overview & Scrutiny Committee on 28 August and a copy of the Minute Excerpt had been circulated.

The Director outlined the Committee's comments and questions including: the reason for the increasing amounts of grants; if any contribution had been received from Carlisle Housing Association; if any other District Councils had contacted the Government about the matter; the funding available for small adaptations; and whether there was any agreement to reclaim the grant if a property was sold.

The Portfolio Holder praised Officers' management of the scheme and reported that waiting times for disabled adaptations had reduced considerably. The Chairman of the Community Overview & Scrutiny Committee welcomed the report and recommended that other supplementary funding be sought wherever possible. The Leader requested that Central Government be approached with a request for further funding for DFG's, and a further report be brought to the Executive.

Summary of options rejected - None

DECISION

That the Executive :

1. Request that Officers approach Central Government for extra funding and report back to the next Executive meeting.
2. Receive Officer updates as appropriate, on the future demand for DFG's, and the future funding of DFG's from Central Government.
3. Include the consideration of the likely future requirements as part of the budget process.

Reasons for Decision – To ensure that the demand for Mandatory DFG's continues to be met.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 20 OCTOBER 2008

EX.258/08 FUNDING FOR DISABLED FACILITIES GRANTS (Key Decision)

Portfolio Health and Communities

Subject Matter

Pursuant to Minute EX.235/08, the Director of Development Services updated Members (DS.136/08) on the funding for Disabled Facilities Grants (DFGs). She reported that lobbying of the Government had been carried out to maximise the amount of funding accessible to the City Council, in order to finance the increasing number of DFGs and additional resources needed to be allocated to DFGs from the Council's own resources. She added that it was increasingly difficult for the Council to continue to fund the increasing number of DFGs being presented as the numbers of applications were continuing to increase, with the number of elderly and disabled persons also increasing. The situation was predicted to continue over the next 20 years.

The Director added that, although the Council had committed a substantial amount of funding to DFGs over the past 4/5 years, there was still a shortfall in the budget for these grants. A considerable amount of this funding had been provided for Carlisle Housing Association (CHA) properties, which had had the effect of reducing the amount of funding available for those owner-occupiers who needed assistance.

The Director proposed that Officers lobby the DCLG to attempt to redress the balance of funding between Metropolitan and smaller two-tier Authorities. She outlined the discussion that had taken place with Government Office North West (GONW), regarding the anomalies inherent in the current system of funding allocation throughout the North West Region and she added that a bid for £600,000 had been submitted to GONW for additional funding. However, as limited funds were available, it was unlikely that the full amount of the bid would be available and she had now received notification that an additional £100,000 would be provided by Government Office North West to assist with the projected shortfall.

The Director reported to Members that a meeting with the Department of Communities and Local Government was also planned to discuss future funding arrangements to Local Authorities, to enable them to fulfil their obligations to mandatory DFGs and she explained that this meeting would give an opportunity for the Council to put the case for additional funding, and highlight the anomalies of the current budget allocation system.

The Director reported on the financial implications of the rise in demand for DFGs. She outlined the draft budgets for DFGs for the next financial year but stated that there has been no inflationary uplift in the allocated budget to deal with additional applications, increasing construction costs or the increased cost of equipment.

The Portfolio Holder welcomed the allocation of £100,000 from the GONW fund which had been the largest share given to Local Authorities and praised the work of Officers.

Summary of options rejected - None

DECISION

That the Executive authorise officers to

1. Continue to work with the Government to ensure that an appropriate amount of funding is secured to satisfy DFG demand in Carlisle and Cumbria, and
2. Work with other appropriate partners including the British Legion, Primary Care Trust and the Health Authority, to provide an integrated funding package for DFGs, and
3. Note the amount of the extra £100,000 from the GONW and request to Council a supplementary estimate of £200,000.

Reasons for Decision

To enable the continuation of provision of DFGs, bearing in mind the increased pressures on the budget of the Council.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 18 DECEMBER 2008

EX.309/08 FUNDING FOR DISABLED FACILITIES GRANTS

(Key Decision)

(With the consent of the Chairman and in accordance with Rule 15 of the Access to Information Procedure Rules, this item has been included on the Agenda as a key decision although not in the Forward Plan).

Portfolio Health and Communities

Subject Matter

Pursuant to Minute EX.258/08, consideration was given to a report of the Head of Planning and Housing Services regarding the funding of Disabled Facilities Grants. He reminded Members that the local authority had a statutory duty to approve applications for Disabled Facilities Grants within 6 months. It was however becoming increasingly difficult for the Council to continue to fund the increasing number of Disabled Facilities Grants which were being presented, as the number of applications were increasing year on year and this trend was predicted to continue to rise over the next 20 years.

The Head of Planning Services commented that even though the Council had committed a substantial amount of funding to Disabled Facilities Grants over the past 4-5 years, there was still insufficient budget to meet the demand for the grants. This was in part due to the level of funding which had been provided for Carlisle Housing Association properties which had had the effect of reducing the amount of funding available for owner occupiers who also needed assistance.

The Head of Planning Services outlined the action which had already been taken and added that the Council had been notified that they would receive a further £100,000 from the Government in respect of Disabled Facilities Grants to assist with the Council's budget shortfall in 2008/09.

He set out for Members the position with regards to applications in respect of Carlisle Housing Association and added that up until the end of October 2008, more than £400,000 had been expended by the Council on CHA properties. That figure had continued to rise on an annual basis and the amount of funding committed to Disabled Facilities Grants in CHA properties was unsustainable. He added that discussions had been held with CHA on this issue.

The Head of Planning Services also added that meetings had been held with the Department of Communities and Local Government to highlight the anomalies in the current budget allocation system. He added that Officers were currently preparing

budget bids for additional capital funding for the provision of Disabled Facilities Grants and a bid of £400,000 capital for 2009/10 and a bid of £700,000 per annum capital for the years 2010/11 - 2014/15 had been submitted.

The Portfolio Holder for Health and Wellbeing added that she had raised this issue with the Cumbria Housing Forum and the item was to be included on the Agenda for their meeting in January 2009.

Summary of options rejected - None

DECISION

- (1) That Officers continue to lobby Government to ensure that an appropriate amount of funding is secured to satisfy Disabled Facilities Grant demand in Carlisle, and
- (2) All other avenues of funding be explored, including through the Royal British Legion, Primary Care Trusts, Housing Associations and the Health Authority, to provide an integrated funding package for Disabled Facilities Grants.
- (3) That the report be referred to full Council to request that a virement of £300,000 be agreed for allocation in 2008/09. The funding be met from the overall capital programme in 2008/09.

Reasons for Decision

To enable the continuation of provision of Disabled Facilities Grants bearing in mind the increased pressures on the budget of the Council.