

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

12 JULY 2017

**REPORT OF SENIOR
MANAGEMENT TEAM**

CABINET DECISION

**Regeneration and Housing – Lead Cabinet Member – Councillor N Cooke
Adult Social Care and Health – Lead Cabinet Member – Councillor J Beall**

DISABLED FACILITIES GRANT: PROPOSAL TO INTRODUCE DISCRETIONARY FINANCIAL ASSISTANCE SCHEMES

1. Summary

Local Authorities have been under a statutory duty to provide help for major adaptations to disabled people's homes since 1990 and this is usually done through the provision of a Disabled Facilities Grant (DFG). A DFG is intended to give disabled people better freedom of movement into and round their homes, as well as providing essential facilities which aim to increase independence, prevent falls, facilitate hospital discharge and/or delay care home admission.

Local Authority DFG funding allocations are 'ring-fenced' within the Better Care Fund and, as such, authorities are expected to consider how the provision of major adaptations can support broader health and social care agendas. This coupled with recent increases in Government funding, has enabled the Housing/Adult Social Care Teams (who provide the service) to reflect on what services are currently provided, to whom, identify any gaps in current provision and what opportunities are available to ensure adaptations effectively support the Councils wider prevention and independence agendas. This report provides an overview of the major adaptations service currently provided by the Council and seeks support to introduce a number of policy changes as detailed in paragraphs 8 – 14 of this report.

2. Recommendations

Cabinet are asked to:

1. Approve the proposed amendments to the Council's existing Equipment Loan Scheme Policy – as detailed in paragraphs 8 - 11.
2. Approve the introduction of a Homeowner DFG Top-Up Loan and a Homeowner DFG Loan - as detailed in paragraphs 12 - 13.
3. Approve the introduction of a Tenant DFG Loan - as detailed in paragraphs 14 - 16.
4. Pending the approval of recommendations 2 and 3 delegate authority to revise the Council's Housing Renewal Financial Assistance Policy (as detailed in paragraphs 5-6)

and the existing Disabled Facilities Grant and Equipment Loan policies to the Director of Economic Growth and Development Services in consultation with the Cabinet Member for Regeneration and Housing and Housing.

5. Approve the move away from agency fees being charged on individual DFG applications to an annual 'top-slice' of the Councils allocated DFG funding– detailed in paragraphs 18-20.
6. Following an annual review of all statutory and discretionary adaptations schemes and confirmation of the Councils annual DFG funding allocation, delegate authority to make any necessary changes to all discretionary adaptations schemes (including withdrawal) and the Housing Renewal Financial Assistance, Disabled Facilities and Equipment Loan policies to the Director of Economic Growth and Development and Director of Adults and Health in consultation with the Cabinet members for Regeneration and Housing and Adult Services and Health.

3. Reasons for the Recommendation(s)/Decision(s)

Home adaptations play a key role in ensuring that people (of all ages) continue to live independently at home for as long as possible. Recent increases in funding has provided an opportunity to review existing service delivery to ensure that the Council can respond quickly and effectively to the bespoke needs of our residents.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code).

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code).

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SUMMARY

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RECOMMENDATIONS

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DETAIL

DFGs - applying the legislation and an explanation of how services are currently delivered

1. A DFG is a mandatory grant and there are nationally defined legal rights concerning its provision. DFGs are intended to help give disabled people (both adults and children) better freedom moving around the home, provide access to essential facilities within the home and make the home safer for the disabled occupant.
2. DFGs are means tested for adults, but not for children. Means testing only takes into account income and savings, the value of the home is not taken into account, nor are the financial outgoings of the applicant. The maximum grant payable (regardless of the adaptation) is £30,000. Nationally the average DFG is around £6,500, which is slightly higher than the Stockton average of £5,500 (for 2017/18). The most common adaptations delivered in the borough during the last financial year were to bathrooms (the provision of level entry showers), stair lifts and ramps. However we are seeing an increase in the number of DFG applications received with a potential value in excess of the £30,000 limit, usually these are for property extensions.
3. Both homeowners and tenants can apply for a DFG; in the case of the former a grant repayment charge may be placed on a property to re-coup some of the grant if/when the property is sold (in Stockton currently a charge is placed on properties where the value of DFG works is in excess of £10,000, this is binding for a maximum of 10 years). With regard to tenants (both private sector and Registered Provider) consent must be secured from the landlord before adaptation work can be carried out.
4. The provision of DFGs is the legal responsibility of the housing authority. In Stockton, like the majority of (single tier) local authorities, social care (in our case occupational therapists in the Adults and Health Directorate), assess whether an adaptation is 'necessary and appropriate' to meet the disabled person's needs, as set out in housing law and a referral is then made to the Housing Team who then determine whether an adaptation is 'reasonable and practicable'. The Housing Team offer (for a fee) an in-house agency service, whereby we will complete all the necessary work to inform the DFG application and manage the DFG works on the clients' behalf. Whilst most applicants choose this service (179 of 183 clients where DFG works were completed during 2016/17), applicants do have the ability to manage both their own DFG application and grant works should they choose to do so.

Local discretion and flexibilities

5. Local authorities do have **discretionary powers** to provide financial assistance for housing adaptations. The Regulatory Reform Order (2002) gives local authorities a general power to introduce policies for assisting individuals by providing grants, loans and advice for the purpose of repairing, improving, extending, converting or adapting housing accommodation provided. There is no restriction on the amount of financial assistance that a local housing authority may provide and discretionary assistance can be given in addition, or as an alternative to a mandatory DFG.

6. In order to use these flexibilities, councils must have a written and published policy, which sets out how the authority intends to use its powers. SBC does have a published 'Housing Renewal Housing Assistance Policy', which was adopted by the Council in 2010. Changes to this policy will be required if the discretionary proposals detailed at paragraph 12 – 14 of this report are to be formally adopted.
7. Demand for mandatory DFGs has over recent years been high and with limited funding this has restricted the Councils ability to respond with the discretionary powers available (as we must meet our mandatory requirements). However recently the national funding allocation rose significantly, from £220m in 2015/16 to £395m in 2016/17 (a 79% increase). In Stockton our funding allocation rose from **£712k (2015/16) to £1,247,000 (2016/17)** and we saw a further increase in 2017/2018 **£1,360,283** (further 9% increase). This substantial increase in funding affords the Council an opportunity to review existing arrangements to ensure that adaptations continue to play a significant supporting role in enabling the Boroughs residents remain (for as long as possible) independent in their homes. Detailed in **Appendix 1** are 3 'real life' examples of DFG applications and illustrate some of the personal issues faces by individual applicants and the impact of the service received.

What changes are proposed and why?

Change 1: Equipment Loan Scheme

8. Using our discretionary powers the Council has for a number of years operated an **Equipment Loan scheme** which has supplemented our mandatory DFG service. The Equipment Loan Scheme is:
 - A non-means tested scheme whereby qualifying clients are loaned either stair lifts and/or ramps (equipment remains in the ownership of SBC).
 - Aimed at delivering the necessary adaptation as quickly as possible via a simplified process (rather than the applicant having to make a make a formal DFG application).
 - Equipment remains with the applicant for as long as required, however in instances where it is no longer needed it is re-cycled and re-used.
9. When originally introduced this service was available to all, however, due to limited funding the original criteria was tightened at the beginning of 2015/16. As a result applicants are currently only eligible if they meet one of the following criteria:
 - *Clients with an advanced life-limiting illness.*
 - Or
 - *To facilitate safe hospital discharge for people with advanced life limiting illness when other temporary options have been assessed and identified as not suitable to meet their needs.*
10. In reviewing 'who' has accessed the DFG service and the impact it has had on both the client and Council it has been identified that receiving an adaptation has frequently prevented a residential care admission (and therefore prevented a potential 'cost' to the Council). On this basis it is proposed to broaden the Equipment Loan eligibility criteria to include this as an eligibility criteria. To ensure that the policy is transparent it is also proposed to include examples (albeit not an exhaustive list) of what may constitute an advanced life limiting illness.

11. Cabinet are therefore asked to support the introduction of the revised eligibility criteria detailed below:

Applications for loan equipment can only be made to the Council by residents of the Borough in order to meet urgent need. The criteria for applications is set out as follows:

- ***People with a life limiting illness such as chronic obstructive pulmonary disease, neurological conditions, motor neurone disease, multiple sclerosis, muscular dystrophy, cancer, stroke, complex co-morbidities***

Or

- ***To facilitate safe hospital discharge for people with advanced life limiting illness when other temporary options have been assessed and identified as not suitable to meet their needs.***

Or

- ***To enable carers to continue with their caring role***

Or

- ***Prevent admission to 24 hour care.***

Change 2: Introduction of a 'Homeowner DFG Top-up Loan' (for adaptations above £30,000)

12. As noted previously the maximum DFG payable is £30,000 and there are occasions where the cost of works exceeds this limit and clients must fund this contribution before any works can commence. Whilst some clients can and do have access to the necessary monies, there are occasions when applicants do not have the resources available or are unable to loan the money from a reputable source. In such cases attempts will be made to secure monies via alternative sources, such as charitable organisations. As a minimum, the impact of this is to delay the delivery of DFG works and there are examples where clients 'drop-out' until monies have been secured (examples of such cases are detailed in **Appendix A**).

- It is proposed that:
 - ***Where applicants are unable to secure any other form of mainstream lending a repayable loan is made (minimum £100.00 – maximum £10,000).***
 - This £10,000 limit has been proposed based on the value of major adaptations undertaken during 2016/17 (the highest value works were £37,358) and also takes into consideration the potential for rising build costs.
 - Whilst the DFG service is demand-led, we anticipate that a maximum 5 loans will be taken up each year. By way of any example, potentially only 2 applicants would have been considered during 2016/17.
 - Depending on the applicant's financial circumstances loans will be repayable on either a Capital or Interest Repayment Loan, an Equity Loan (which is a charge against the property) or an Interest Free Loan.

Scheme benefits:

- To prevent any unnecessary / untimely delays in the delivery of extensive DFG works.
- This scheme would particularly support families with children who are not subject to being means tested although the £30,000 DFG limit remains.

Change 3: Introduction of a 'Home owner DFG Loan'

13. As already referenced DFGs are means tested, and following this, should a client be required to make a financial contribution, this must be paid before an adaptation can commence. As noted above there are occasions when applicants are unable to make this payment and these applicants 'drop out' (cancel) their applications. To support applicants in such circumstances it is proposed that:

- o **Where applicants are unable to secure any other form of mainstream lending a repayable loan is made (minimum £100.00 – maximum £7,000).**
 - The proposed loan values are based on value of 'average' contributions made by DFG completed during the year 2016/17 (33 client contributions were received during 2016/17 range from £10.00 to £17,812.62).
 - To ensure consistency, the provision of this financial support would only be made where an applicant cannot secure any form of mainstream lending, with the loan repayable on either a Capital or Interest Repayment Loan, an Equity Loan (charge against the property) or an Interest Free Loan.

Scheme benefits:

- As detailed above, the aim of this financial assistance would be to prevent any untimely delays or 'drop-outs'.

Change 4: Introduction of a Tenant DFG Loan

14. As noted previously tenants (private rented and Registered Housing Provider) are able to make a DFG application. Of the 183 DFGs completed during 2016/17, 15 were tenants in the private rented sector and 34 were to tenants of various Registered Housing Providers. Of these 3 applicants (2 private rented and 1 Registered Provider) were required to make a financial contribution. To ensure that there is equity between tenures, it is proposed that a DFG loan is made available to tenants where applicants are unable to secure any form of mainstream lending.

15. There is a risk to both tenants and the Council in such circumstances: tenants need to be aware that this loan will continue to be their responsibility should they vacate or asked to vacate a rented property. For the Council, the options of repayment will be limited to either an Interest or Interest Free Loan (as we will be unable to make a charge against the property).

16. We have contacted other LAs in the North East and most have indicated they do not currently provide support to tenants, however given that the rented sector (particularly the private rented) is increasing significantly at both a national and local level, there are concerns that without such support, there will be a negative impact the boroughs residents. **Given the anticipated low number of applicants that will be eligible for this loan facility it is proposed that the decision to agree a loan to a tenant (in either a private rented or Registered Provider property) is considered and approved on a case-by-case basis by the Director of EGDS and Director of Adults and Health.**

Loan Administration

17. The Council is currently a partner in the 'Helping Hands Partnership'. This is a partnership of local authorities across the North East who have procured The 5 Lamps organisation to undertake both the assessment of financial loan applications and the loan administration. By offering loans through this route Cabinet can be reassured that all lending will be undertaken in a responsible manner (as affordability tests are undertaken) and that the client has access to Independent Financial Advice regarding the loan options to be made available by the Council.

Annual review of discretionary DFG schemes (Equipment Loan and Loan schemes)

18. As members will appreciate, the provision of an adaptation service is very much 'need led' and can change year to year depending on the needs of our residents. As such, it is proposed that towards the end of each financial year a review of each discretionary scheme is undertaken. This review will consider service demand, scheme take-up and the impact both positive and negative on mandatory DFG waiting times. This review, coupled with confirmation of the Council's annual DFG funding allocation, will inform the delivery of discretionary schemes for the following financial year. To ensure appropriate action is taken following each annual review, Cabinet are asked to delegate authority to make any necessary changes to discretionary adaptations schemes (including withdrawal) to the Director of Economic Growth and Development and Director of Adults and Health in consultation with the Cabinet members for Regeneration and Housing and Adult Services and Health.

Change 5: Move away agency fees being charged on individual DFG applications to an annual top slice of the Councils allocated DFG funding

19. As highlighted in paragraph 4, the Housing Team plays a dual role in the delivery of DFGs. In addition to undertaking the assessment of individual DFG applications, the Team also provide an Agency Service. The 'Agency Service' is provided on behalf of the client and includes for example carrying out technical or structural surveys, preparing a schedule of works, obtaining estimates, undertaking asbestos surveys and the payment of contractors following the completion of works. A charge of 15% of the eligible cost of works is made for this and is included within the DFG total grant value. Clients are informed throughout the DFG grant enquiry process that they can at any time make their own valid application for a DFG grant.
20. As the vast majority of applicants (98% during 2016/17, 179 of 183 DFG applications completed) decide to use the Council's Agency Service, to simplify the process, **it is proposed to 'top-slice' a fee from the Councils annual DFG funding rather than charge on a case by case basis.** For 2017/18 a 15% top slice is proposed, this will cover a proportion of staffing costs, miscellaneous costs incurred during the year (such as bespoke staff training / and necessary IT upgrades for example) and abortive costs (i.e. costs incurred on DFG applicants which are subsequently cancelled or in instances where a client dies). At the end of each financial year a reconciliation will be undertaken and any 'top-sliced' monies not committed will be returned to the DFG budget.
21. Members are asked to note that the option of clients making their own DFG application and managing their DFG works (once a grant is approved) will remain.

COMMUNITY IMPACT IMPLICATIONS

22. The proposals detailed within the body of this report are aimed as directly supporting the needs of both adults and children with disabilities within our Borough. They were informed by a detailed assessment which has examined service needs and how property adaptations could support residents to live independently in their own homes for as long as possible.

FINANCIAL IMPLICATIONS

23. There are not direct funding implications to the Council as the DFG monies detailed within the report are paid as a 'ring-fenced' allocation through the BCF. The proposals detailed within the body of this report are intended to ensure the maximum effectiveness of the DFG service provided by the Council.

LEGAL IMPLICATIONS

24. The Regulatory Reform Order (2002) and the Housing Grants Construction and Regeneration Act 1996 allow flexibility in the use of DFG funding, however to use these flexibilities local authorities must have an adopted/published (Housing Assistance) policy.

RISK ASSESSMENT

25. Delivery of the annual adaptation programme is categories as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES

26. The provision of property adaptations to disabled adults and children contributes to a number of key policy principles contained within the Council Plan including protecting the vulnerable through targeted intervention and developing strong and healthy communities (through supporting independent living).

CORPORATE PARENTING IMPLICATIONS

27. No direct implications contained within this report.

CONSULTATION INCLUDING WARD/COUNCILLORS

28. There has been no formal consultation to date with ward members in relation to this issue, although briefings have taken place with the Cabinet Members for Environment and Housing and Adult Services and Health.

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Education related?

No.

Background Papers

Not applicable.

Ward(s) and Ward Councillors:

All

Property

There are no direct implications for Council property.

Case 1 – How a DFG can support independent living with informal carer support

Client in his 50's with a diagnosis of motor neurone disease (a rare condition that progressively damages parts of the nervous system). This leads to muscle weakness, often with visible wasting. Motor neurones control important muscle activity, such as gripping, walking, speaking, swallowing and breathing.

The client was residing with his partner and two teenage children in a 2 bedroom property. The partner is an informal carer for the client. At the time of assessment alternative accommodation was discussed as an option to meeting the client's needs, however it was identified that this was not practical as the client and carer had a strong social network of support in the area.

The client had needs in the following areas which were being met informally by his partner:

- Managing and maintaining nutrition
- Maintaining personal hygiene
- Managing toilet needs
- Being appropriately clothed
- Being able to make use of the home safely
- Maintaining a habitable home environment

The client and carer had identified difficulties with accessing the upstairs of the home and therefore accessing bathing facilities. Assessments had been carried out to ascertain appropriate equipment/adaptations to meet his current needs and long term needs. It was identified that there was only one living room and therefore was not suitable for the client to live downstairs. It was identified that a stair lift would not meet the clients long term needs because he would not be able to transfer on and off it independently. Also a through floor lift would not be suitable because of the architectural constraints of the living room.

A DFG application for a downstairs extension was made. The extension was a for a double bedroom and level access shower with toilet facilities. The extension was equipped to enable a ceiling track hoist to be fitted to meet the clients future long term needs.

The extension has enabled the client to:

- Continue to live at home with his family and continue to receive informal support.
- Continue to reside in the same bedroom as his partner (this has been important as it has enabled the carer to continue to provide the client with support during the night; oxygen, support when he becomes anxious and requires regular repositioning).

Case 2 – Example of a DFG application when a financial contribution cannot be afforded

Single storey DFG extension required to meet the needs for a disabled 12 year old. The total cost of works is £34,599.39, therefore a £4,599.39 contribution is required from the family before works can commence.

Initial enquiry date was 24.9.2015 (planning permission, agreement of works and tender of the works has taken place since this date), formal Application Date was 16.1.2017 (when all information to determine the application was available) and Approval Date was 16.1.2017.

At present these works have not been carried out to the property as the family are unable to make the financial contribution, options such as charitable funding continue to be explored.

Case 3 – Example of a DFG application when a financial contribution has been made (high interest loan)

Single storey extension assessment as required to property to meet the needs of a disabled 7 year old. The total cost of works is £36,542.05, therefore £6,542.05 contribution is required from family.

Initial enquiry date was 15.10.2015 (planning permission, agreement of works and tender of the works has taken place since this date), formal Application Date was 6.5.2016 and Approval Date was 6.5.2016.

The contribution was paid by the family on 31.1.2017. However due to limit financial options the family secured a high interest loan to ensure the works commence which has placed a financial stain on the family due to the value of repayments.