

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

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Agenda Item No. 6

meeting date: 23 MARCH 2017  
title: DFG POLICY AMENDMENTS  
submitted by: CHIEF EXECUTIVE  
principal author: RACHAEL STOTT, HOUSING STRATEGY OFFICER

## 1 PURPOSE

- 1.1 To propose a revision to the private sector housing policy to improve the disabled facilities grant process.
- 1.2 To consult on the proposal with a view to adopting the new process from 1 June 2017 and then to operate under the new process for a 12 month trial.
- 1.3 Relevance to the Council's ambitions and priorities
  - Community Objectives – To address the housing needs of older and disabled occupants across the borough.
  - Corporate Priorities – None.
  - Other Considerations – None.

## 2 BACKGROUND

### Disabled Facilities Grant (DFG)

- 2.1 The Disabled Facilities Grant (DFG) provides funding to older and disabled people in owner occupied, privately rented and social housing to help them to make changes in their home environment, such as the installation of wet room showers, stairlifts and ramps, which allow them to live more independently in their homes.
- 2.2 DFG also has a key role to play in reducing admission to hospitals, providing safer and more effective discharge from hospital, preventing an increase in demand for social care and delaying or reducing admission to residential care.
- 2.3 DFG was first introduced as part of the Local Government and Housing Act 1989 and was further developed in the Housing Grants, Construction and Regeneration Act 1996.
- 2.4 DFG began as part of a suite of grants use for housing renewal and it remains the responsibility of Housing Authorities.
- 2.5 However, one of the difficulties with DFG, particularly in a two tier local government setting, is that it crosses administrative and organisational boundaries.
- 2.6 From the customer point of view, this has led to a complicated customer pathway which remains the norm across District/County Council areas.

- 2.7 Initial customer requests are taken by Social Care teams (County Council), customer assessments are carried out by Occupational Therapy teams (County Council) and adaptation recommendations are sent to the District Council/HIA teams who then provide casework support, carry out the customer 'test of resources' to establish eligibility, undertake technical surveys, contractor procurement and monitor quality of work.
- 2.8 Indeed, in Lancashire, the situation is further complicated by the fact that Lancashire County Council outsource paediatric OT assessments to Lancashire Care Foundation Trust (LCFT) on an agency basis.
- 2.9 Whilst these complex arrangements still exist, the introduction in 2014 of the Better Care Fund (BCF), and the consequent substantial increase in central government funding, has given DFG a much more central position in the policy framework.
- 2.10 The BCF is a single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and Local Authorities.
- 2.11 The BCF is administered by Health and Wellbeing Boards, which for Ribble Valley is the responsibility of Lancashire County Council (LCC).
- 2.12 The *Better Care Fund Policy Framework 2016/17* confirms that upper tier Authorities are required to pass on the DFG funding from the pooled budget to enable Housing Authorities to continue to meet their mandatory duty. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/490559/BC\\_F\\_Policy\\_Framework\\_2016-17.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/490559/BC_F_Policy_Framework_2016-17.pdf)
- 2.13. Thus District Councils now receive their DFG allocations via the Department of Health (DoH) - delegated to the local Health and Wellbeing Board - whereas until 2015 DFG funding was provided directly to Councils by the Department of Communities and Local Government (DCLG).
- 2.14 With the introduction of the BCF, it is possible to join up the previously disjointed pathways and link the DFG to other related health and care services.
- 2.15 The 2015 Autumn Spending Review contained a commitment to further raise the DFG budget nationally to £500 Million by 2019/20.

Table 1 illustrates the increase of DFG funding nationally from 2015 onwards:

**Table 1: DFG Better Care Fund allocations**

Year	BCF Funding	DFG Funding	DFG as % of BCF	% increase in DFG from 2015/16
2015-16	£3.8 Billion	£220 Million	5.8	-
2016-17	£3.9 Billion	£394 Million	10.1	79%
2019-20	£5.3 Billion	£500 Million	9.4	127%

- 2.16 Ribble Valley's DFG allocations have increased in line with this national picture.

- 2.17 In 2014/15 (the final year that the DFG was provided from the DCLG) the Council received £119,536 in DFG funds. In 2015/16 (the first year of the BCF funding arrangements) the Council received £160,895 and for 2016/17 the Council has received £273,220.
- 2.18 The additional funding brings with it additional expectations in terms of how the Council is expected to play its part in addressing new conditions set out in the *2016/17 Better Care Fund Policy Framework*, which are:
- Reducing delayed transfers of care
  - Minimising avoidable hospital admissions and
  - Facilitating early discharge
- 2.19 Whilst the *2016/17 Better Care Fund Policy Framework* does not set specific targets for use of DFG, District Councils should be mindful of the BCF objectives which include several which are relevant to DFG services, such as reductions in the number of admissions to residential and care homes, more effective use of reablement, reductions in delayed transfers of care and improvements in the patient/service user experience.

### **Proposal 1 - To optimise the use of the Council's DFG allocation**

- 2.20 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (hereafter abbreviated to the RRO) removed most of the prescriptive housing renewal grant legislation in the Housing Grants, Construction and Regeneration Act 1996, and Article 3 of the RRO introduced wide ranging discretionary powers to develop different forms of assistance to meet local needs.
- 2.21 However, now the Council is receiving higher levels of DFG funding and, with Government financial support set to increase further during the course of the current parliament to 2020, it is timely to re-examine the opportunities to consider more flexible use of its DFG budget to meet local needs.
- 2.22 Currently the Council administers DFG applications in a 'traditional' way, in the sense a financial assessment ('test of resources') to determine customer eligibility in accordance with the criteria set by the Government.
- 2.23 This means that each DFG referral which the Council receives from LCC is assessed in terms of financial eligibility.
- 2.24 The exceptions to this are paediatric referrals, which are not required to be assessed, and people in receipt of means tested benefits, who are deemed to possess a 'passport' benefit which makes them automatically eligible for DFG.
- 2.25 Each year there are significant numbers of cases which fail the financial assessment 8 cases in 16/17 and 15 cases in 15/16 and did not proceed as a DFG application. This is abortive work because staff still need to carry out visits to determine eligibility and liaise with the customer.
- 2.26 Equally importantly, such customers who are ineligible for DFG still have a clinical need for adaptations. In terms of addressing the BCF agenda, it is difficult to assert that the Council is currently contributing to resolving such customers' needs.

- 2.27 Customers who are not eligible for DFG may be deemed to have sufficient funds to pay for their own adaptations under the legislation, but many lack the wherewithal to organise these works themselves. Furthermore, with the HIA team's focus on facilitating DFG work, particularly with such a large budget to use, it has not been possible to devote staffing resources to assist self-funding customers.
- 2.28 There are numerous examples of Councils nationally using the RRO to adopt more flexible approaches to the provision of adaptations, partly as a way of dealing with the problem of customers failing the DFG test of resources and partly as a general method of streamlining the process of applying for and obtaining an adaptation.
- 2.29 Ribble Valley Borough Council now has an opportunity to use this DFG resource more effectively.
- 2.30 Therefore a number of policy changes are recommended to take effect from 1 June 2017. The recommendations are predicated on an expectation that the current levels of funding for DFG are to be maintained.
- 2.31 To qualify for the non-means tested approach, it is recommended that the required adaptation work would consist of only one item from the list below.
- 2.32 If the required work comprised a combination of various items from the list (such as shower and stairlift), the DFG route would be pursued as the combined value of this work would be more significant.
- Bathroom conversion (ie removal of bath and installation of Level Access Shower/Wet Room) – average cost £3,662.90
  - Stairlifts (these are procured via LCC) - £2,447.52
  - Ceiling Track Hoists (these are procured via LCC) - £3,696.16
  - Wash-dry toilets (these are procured via LCC) - £3,125.90
  - Hospital release cases identified by Health professionals
- 2.33 It is also recommended that within this policy the Council should reserve the right, in exceptional circumstances, to consider a more flexible approach by offering customers other adaptation items that are not available under DFG.
- 2.34 Clearly there are risks to the loosening of eligibility criteria. However, this would be mitigated by the fact that an Occupational Therapy referral would still be required as a 'gateway' to accessing an adaptation. So we would still be confident that customers being referred to the Council for an adaptation would need them. In the event that an OT recommendation is received within 2 years of a non means tested approval, then the second recommendation would go through the DFG route.
- 2.35 However, in terms of addressing the prevention and early intervention agenda, if the Council facilitates the provision of adaptations to a household who would have been disinclined to self-fund, it would still have contributed to the prevention of potential falls in the home and thus helped to prevent lengthy and costly hospital stays.
- 2.36 Adaptations provided without carrying out a test of resources would not be classified as a DFG because the full DFG application process would not have been activated.

- 2.37 Instead, such adaptations would need to be distinguished from DFG and be known by another title. The recommended suggestion is Ribble Valley Home Adaptation Grant.
- 2.38 Thus the relaxation of means test regulations would not only have allowed the Council to address the BCF agenda more effectively, it would also provide a better opportunity to maximise the DFG budget that the Council receives from BCF.
- 2.39 If this recommendation is accepted, it would be possible in June 2017 to review the list of 2016/17 customers who have failed the test of resources and go back to them to establish whether they would like to be considered for an adaptation under the non-DFG adaptations route.

**Proposal 2: Introduce Provisions to allow additional funds above the DFG maximum (subject to budget availability)**

- 2.40 The mandatory DFG maximum grant is £30,000. This upper limit has been in place since 2008.
- 2.41 To date the Council's policy has reflected the legislation, and under its existing policy 'grant assistance will be limited to the maximum grant in accordance with the legislation which is currently £30,000'.
- 2.42 In recent years the Council has handled a small number of complex adaptation cases where the tendered cost of works have exceeded the mandatory DFG maximum of £30,000.
- 2.43 Fortunately, for most of these cases, the family or charities have raised the additional required funding.
- 2.44 Additional funds for adaptations above the mandatory DFG limits are sometimes referred to as "Discretionary DFG". This term may give the misleading impression that the recommended works are discretionary. This is not the intention.
- 2.45 The proposal being recommended is that the Council permits the award of a supplementary grant, in cases where the list of works recommended by the OT has been market tested and exceeds £30,000, in order to enable all the recommended mandatory works to be undertaken.
- 2.46 To ensure that the Council retains financial control of its resources, it is further recommended that the policy should clearly state that this facility would be subject to budget availability and that such additional grant should not exceed £10,000.
- 2.47 The facility to be able to call upon up to an additional £10,000 would help to prevent long delays in such cases, which otherwise would stall while other funding solutions were explored.

**Proposal 3: Introduce a 10% fee applicable to each DFG and non-DFG adaptation**

- 2.48 Organising and overseeing the grant process is complex and often involves a considerable amount of work. The legislation permits Councils to apply a management fee which is added to the overall grant amount awarded to each customer.

- 2.49 Since 2002 the Council's administrative fee to be applied to each grant has been fixed at 5%.
- 2.50 Across Lancashire, Lancaster Council operate an 'in-house' HIA service and apply an 18% fee on each DFG. Hyndburn Council charge a 15% fee, West Lancashire charge 12%, whilst Preston and Rossendale both apply a 10% fee. Of all the Councils in Lancashire that charge a fee, Ribble Valley is currently the lowest fee.
- 2.51 It should be noted that the fee as applied by other Councils across Lancashire is not 'paid' by the applicant but is deducted from the overall grant provided to the applicant. That is to say the net effect is that it reduces the amount of grant available to the applicant.
- 2.52 In most cases a 10% fee would not cause any problems in the execution of the work, but in cases which are around the mandatory limit of £30,000, it could cause difficulties. However, the facility to offer an applicant a sum in excess of £30,000 as described in recommendation 2, would address this scenario.

### 3 ISSUES

- 3.1 The intention is to consult with Lancashire County Council and delivery partners on the proposed changes and to advise Members if any issues are raised that would prevent the implementation of the revised scheme.

### 4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications
- Resources – Improve utilisation of the Better Care fund allocation for Ribble Valley.
  - Technical, Environmental and Legal – The Council would make available a mandatory and discretionary grant for disabled adaptations.
  - Political – The proposal will enable an increased number of adaptations and number of people that will benefit from the service.
  - Reputation – This proposal demonstrates the Council's commitment to improve the DFG service.
  - Equality & Diversity – The grant will become more accessible and benefit more households.

### 5 **RECOMMENDED THAT COMMITTEE**

- 5.1 Agree with the revised scheme as set out at Proposals 1, 2 and 3 contained in this report.
- 5.2 Approve a consultation period of 4 weeks to receive any views from LCC and the Council's delivery partners and that subject to the consultation feedback implementation of the new process to begin on 1 June 2017.

5.3 Instruct the Chief Executive to monitor the new process and report back to Health and Housing Committee after 12 months of operating the new scheme.

RACHAEL STOTT  
STRATEGIC HOUSING OFFICER

MARSHAL SCOTT  
CHIEF EXECUTIVE

BACKGROUND PAPERS

(If any)

For further information please ask for Rachael Stott, extension 3235

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