

Report of Director of Environment and Neighbourhoods

To Executive Board

Date: 22nd August 2007

Subject: Disabled Facilities Grants
Capital Scheme Number 98040/000/000

<p>Electoral Wards Affected:</p> <p>ALL</p>	<p>Specific Implications For:</p> <p>Equality and Diversity <input checked="" type="checkbox"/></p> <p>Community Cohesion <input type="checkbox"/></p> <p>Narrowing the Gap <input checked="" type="checkbox"/></p>
<p>Eligible for Call In <input checked="" type="checkbox"/></p>	<p>Not Eligible for Call In (Details contained in the report) <input type="checkbox"/></p>

Executive Summary

Executive board are requested to note the injection of £2m per Director of Resources capital monitoring update paper to this Board. Executive Board are also requested to authorize scheme expenditure of £4.5m as outlined within this report, to meet the demand for mandatory Disabled Facilities Grants for private sector disabled residents in Leeds during 2007/8.

1.0 Purpose of this Report

1.1 The capital programme approved £2.5m expenditure on DFGs in February 2007. The purpose of this report is to approve an additional injection of £2m into the programme and request authority to spend £4.5m on Disabled Facilities Grants for 2007/08. This increase represents significant additional investment to adapt homes in the private sector, leading to increased independence for disabled residents.

2.0 Background Information

2.1 The Council administers Disabled Facilities Grants (DFGs) which were introduced in 1990. Subject to a means test, there is a mandatory right to any disabled person for grant support to a current limit of £25,000 for the purpose of altering their dwelling so that they are able to gain access to and use all normal facilities of home, and care for others where this is relevant.

2.2 In recent years there has been considerable interest in reviewing and seeking ways to improve procedures. The Government published research in November 2004 (ODPM Good Practice Guide), supported research by Bristol University which published proposals for an overhaul of the programme in a 2005 report , published a further Government report in October 2005 (ODPM-Reviewing the DFG Programme), and has more recently issued a

consultation paper in January 2007 setting out the Government's proposals to improve programme delivery and includes increased entitlement in some cases.

2.3 The key point in this consultation document is that the Government is determined to modernise and simplify the DFG system so that it meets a number of key strategic objectives :

- i) Disabled people to be at the heart of the service.
- ii) Grant is able to provide financial support to satisfy increasing need.
- iii) The system should be affordable, equitable and flexible to meet diverse needs.
- iv) The service should be integrated with other elements of social care.
- v) The system should be properly and strategically planned to increase accessibility to housing stock.
- vii) The help available should be widely publicised and easily accessible.

2.4 In Leeds, DFG activity has been the subject of Scrutiny reports over the last 5 years which have embraced these principles, with a particular focus on improving delivery time measured against Government performance targets. Process improvements and new organisational arrangements have been introduced both within Environment and Neighbourhoods and Social Services which have improved efficiency and effectiveness and further improvements continue to be made. As a result, a significantly higher number of homes are adapted annually and this trend is set to continue in to future years. It has been emphasised throughout this time and acknowledged by Government that a particular consequence of such improved efficiency and throughput would be an increased financial pressure on capital expenditure.

3.0 Main Issues

3.1 The demand for mandatory financial assistance towards the cost of adaptations to the homes of disabled residents has seen significant growth in recent years. Furthermore, improvements in service delivery and process improvements to meet Government targets for delivery have also seen a significant improvement, such that the throughput of schemes and related expenditure have risen dramatically. As recently as 2004/5, the programme was £2.13m, increasing to £3.67m in the last financial year and a programme of £4.5m is required for 2007/08.

3.2 New enquiries for DFGs have exceeded 300 per quarter. The average weekly value of new grant approvals has increased significantly such that the current value is £118k per week with the estimated year end position predicted to show a commitment of £3m of approved schemes not yet paid to be taken into the new financial year before any new approvals have been issued.

3.3 Over recent years the value of carry over commitments has been reasonably stable, but a significant increase noted in 2006/07 and 2007/08 is likely to be repeated in 2008/09. The reasons for this being :-

- Improved efficiency and delivery time per scheme.
- Improved/Increased fast tracking of referrals which has cleared some backlog.
- Increase in RSL tenants applications compared with landlord applications which has increased the level of such grant payments.
- Increased average unit cost of schemes and grant payments due in part to contractor charges plus revised means test arrangements.
- Increasing awareness of the availability of DFG assistance such that there is no indication of a slowing down of referrals.

3.4 Government subsidy to support DFG programmes comes to the local authority as a specified capital grant which may be claimed to cover 60% of expenditure subject to a maximum limit. By letter dated 19th Jan 2007 Leeds has received confirmation that the subsidy limit for 2007/08 will be £1.569m, which equates to 60% of a programme of £2.62m.

4.0 Consultations

4.1 In discussions with the Director of Resources prior to the commencement of the current financial year, it was agreed to increase the programme from previous years to approximately £4.5m in 07/08 and onwards. This represents a doubling of the investment in this area of work from levels just two years ago. Expenditure will be managed within this revised figure, whilst minimizing the impact on contractors, clients and the Council in terms of performance targets on service delivery.

5.0 Community Safety

The proposals in this report do not have implications under Section 17 of the Crime and Disorder Act 1998.

6.0 Programme

The programme of works are carried out over the year and these works are prioritized into 3 categories :-

High (76 working days delivery time) - The environmental barriers present a critical risk to the disabled person's independence and/or to the carer's safety, **and** cannot be reduced to an acceptable level by short term solutions.

Medium (129 working days delivery time) - The environmental barriers present a critical or substantial risk to the disabled person's independence and /or the carer's safety but can be reduced to an acceptable level by the use of short term solutions.

Low (212 working days delivery time)- The environmental barriers present a moderate or low risk to the disabled person's independence and/or the carer's safety and where appropriate, short term solutions have been implemented.

Short Term Solutions include :-

The use of minor adaptations or equipment

Temporary adjustments in the delivery of personal care support

Use of facilities away from the users own home (eg day centre)

7.0 Capital Funding and Cash Flow

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2007 £000's	FORECAST			
			2007/08	2008/09	2009/10	2010 on
			£000's	£000's	£000's	£000's
LAND (1)	0.0					
CONSTRUCTION (3)	0.0					
FURN & EQPT (5)	0.0					
DESIGN FEES (6)	0.0					
OTHER COSTS (7)	4500.0		4500.0			
TOTALS	4500.0	0.0	4500.0	0.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2007 £000's	FORECAST			
			2007/08	2008/09	2009/10	2010 on
			£000's	£000's	£000's	£000's
LCC Funding	2931.0		2931.0			
Government Grant	1569.0		1569.0			
Total Funding	4500.0	0.0	4500.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0

8.0 REVENUE EFFECTS

There are no revenue effects on this scheme.

9.0 RISK ASSESSMENTS

- 9.1** The following initiatives have been implemented in an effort to deliver adaptations for the elderly and disabled in a more cost effective and efficient manner. Most of these initiatives also assist in the overall budgetary control and the general administration of contractors through the Agency's delivery of adaptations.
- 9.2 Framework Contractors** – In March 2007, the Agency appointed five contractors to deliver the agency service. Following a lengthy procurement process carried out by the corporate procurement unit, the five were selected from 15 contractors who had expressed an interest in delivering adaptations for the elderly and disabled for a 3 year term. The contractors were in part selected on their experience, efficiencies and approach to this specialist area of work.
- 9.3 Standard Specification and Costs** – Approximately 70% of the Agency's throughput of work is shower installations. In light of this, a fixed price was developed to assist in the administration of the Agency's day to day service, their budgetary projections and estimations and to assist in improving the efficiency of the contractors final accounting process.
- 9.4 Social Services Prioritisation** – Following discussions with Social Services, the priority allocation of DFG applications has been reviewed. In doing so, a larger percentage of referrals will appropriately be allocated to the 'Low' priority band. This will in turn ease pressure on the budget spend and allow a longer time frame for the completion of the adaptation, whilst still meeting Government targets for meeting peoples' needs.
- 9.5 Phased Release of Referrals** – In an effort to control the volume of units of work issued and related costs, the Agency has implemented the phased release of work to contractors. Once an application has progressed through the initial means test, survey and financial authorization, they are then "queued up" within their designated target delivery time, prior to being released to a contractor. The completed referrals are sorted periodically based on their completion date. This approach results in the careful management of cases, with delivery at or very close to the target date set by Government.
- 9.6** The overall result of the changes described above is that the Council can control the rate of expenditure, whilst minimizing any negative impact for customers.

10 CONCLUSION

- 10.1** The obligations to provide DFGs is primary, absolute and remains irrespective of budget pressures. Failure to meet obligations would lead to judgements of maladministration against the Council.
- 10.2** The anticipated spend in the current year shows the significant additional investment being made in this area of work. Officers are confident that expenditure can be kept to the £4.5m estimate for 2006/07 although there will be some inevitable implications for service delivery, which are being closely managed.
- 10.3** In preparing for 2008/09, DCLG has been advised in our submission for subsidy support that the likely programme could be £6m, requiring a subsidy of £3.6m and a local contribution from LCC of £2.4m. The outcome of the bid will be known possibly in Dec 2007, at which time a further review of commitments and expenditure will have to be undertaken.
- 10.4** The arrangements introduced to slow down performance whilst demand remains high have an inevitable long term implication for future budgets and this has been clearly stated in formal representations to the Government in recent consultation exercises.

11.0 RECOMMENDATIONS

The Executive Board is requested to :

1. Note the injection into the Capital Programme of £2m of Leeds City Council resource as stated within the update report from Director of Resources to this board.
2. Authorise Scheme Expenditure to the amount of £4.5m
3. Instruct officers to report back in future on the progress of the scheme