

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

5 January 2009

**Joint Report of the Director of Health and Housing and Cabinet Member for
Housing**

Part 1- Public

**Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken
by the Cabinet Member)**

1 UPDATE ON DISABLED FACILITIES GRANT FUNDING

Summary

This report updates Members on the expenditure against the Disabled Facilities Grant budget for 2008/09 and the actions that have been taken to try and secure further funding for this year and to control expenditure. In addition the report informs Members of an increased bid submission for 2009/10 funding.

1.1 Background

1.1.1 The report presented to the October 2008 meeting of this Board highlighted the severe pressure the Disabled Facilities Grant (DFG) budget is facing in the current year.

1.1.2 The budget for 2008/09 is £598,000. Members are reminded that DFGs are a mandatory grant and are in place to allow residents to remain at home and be independent through the provision of a range of adaptations.

1.2 Spend in 2008/09

1.2.1 As at 10 December 2008, £580,000 had been spent against the £598,000 budget. With further commitments made in the region of £100,000 for works approved that can go ahead, the current years budget will be overspent. This overspend will be funded by pulling forward DFG funding for 2009/10 within the Capital Plan.

1.2.2 In order to control overspend the approvals of DFGs were suspended in October 2008 unless the case was assessed as urgent, for example hospital discharge required prior adaption works to be undertaken or parent at risk of injury from carrying child upstairs where lift was required. One could argue that all DFGs are urgent as they are providing much needed adaptations, however this very difficult decision of suspending approvals was taken as the most direct means of controlling further spend this financial year. Were the Council to approve the grants, the works could go ahead and the contractors could submit invoices. At

this stage and in the current climate it seems inappropriate to withhold payments from contractors who have completed work. Legally the Council has six months in which to approve or refuse a DFG after a valid application has been made. Therefore the Council is not open to a legal challenge for delaying the approval as long as it is no longer than six months. Clearly however, Members appreciate this is an unpopular decision with applicants and Members should be aware of possible complaints.

- 1.2.3 As at 5 December 2008 there were in excess of 40 applications awaiting approval. It is my intention to start to issue approvals again in the New Year. It is hoped that by the time works can then begin and invoices are submitted to the Council, the majority of this will then be able to be funded from the 2009/10 budget.
- 1.2.4 Members are reminded of the improved procedures that have been adopted by Russet Homes in respect of their tenants' DFG applications. These improvements have led to a significant increase in demands on the DFG budget. In the region of 72 per cent of the spend so far in 2008/09 has been on housing association properties, mainly Russet Homes. The majority of the DFG grants awaiting approval are from Russet Homes tenants.
- 1.2.5 In response to the increased demand on the budget from Russet Homes tenants, I have written again to Keith Andrews, Managing Director. The Director of Health and Housing has been trying to encourage Russet Homes to contribute to the DFG budget either directly or indirectly or by agreeing to fund certain adaptations such as flush floor showers or works up to a set limit (for example £3,500), either of which would significantly reduce the pressure on the budget. We are disappointed to report that Russet Homes feel unable to contribute to an easing of the increased funding pressure on the DFG budget. They say "*our tenants are also council tax payers and therefore equally eligible for services from the Council*". They state that with the significant service improvements they have delivered their costs on adaptations overall has substantially increased and "*the Board feels that it has already made a major contribution and to seek to use tenants rents to further support the adaptations programme, would be inappropriate*". They have committed to ensuring that where tenants come forward for adaptations which would otherwise be subject to replacement or renewal under a planned maintenance programme, expenditure will be switched to contribute towards the cost of the adaption. We do not however consider this will be of appreciable financial assistance.
- 1.2.6 Members are also aware from the last report that the Director of Health and Housing had written to GOSE to explain the current situation and request additional funding. In their response GOSE indicated additional funding for 2008/09 was highly unlikely.

- 1.2.7 At the last meeting of this Board, Members requested that the Director of Health and Housing write to the two local MP's to request their support. This has happened and we will update Members of their response at the meeting.

1.3 DFG Budget for 2009/10

- 1.3.1 The Council 'bids' for funding for DFGs as part of the Housing Strategy Statistical Appendix (HSSA) submission in July of each year. In July 2008 we submitted our 'bid' for 2009/10 funding based on a spend of £600,000 for the year. This was done in close consultation with the Director of Finance and taking into account the previous method of allocating the funding which was that the Council would receive up to 60 per cent of our 'bid' with the remaining 40 per cent having to be funded by the Council.
- 1.3.2 In light of the current pressure on the budget and predicted increase in spend and the removal of the requirement to provide 40 per cent match funding from the Council, the Director of Health and Housing has submitted via the HSSA a revised 'bid' for 2009/10. He has estimated a spend of £800,000. GOSE have confirmed the allocation for DFG funding for Tonbridge & Malling for 2009/10 is £360,000. This, combined with the Council's budget for DFGs for 2009/10 gives a total budget of £561,000. This is disappointing as it would appear that GOSE have not accepted our revised bid.

1.4 Legal Implications

- 1.4.1 DFG's are a mandatory grant. The Council is legally required to either approve or refuse a DFG application within six months of receiving a valid application. As it stands the Council is not failing in this legal duty. As approvals will commence again shortly this will not be an issue.

1.5 Financial and Value for Money Considerations

- 1.5.1 The 2008/09 DFG budget will be overspent. The overspend will be funded from bringing forward DFG funding for 2009/10 in the Capital Plan. The DFG budget for 2009/10 is confirmed as £561,000.

1.6 Risk Assessment

- 1.6.1 Where the Council is delaying approvals, applicants' adaptation works cannot go ahead which could be leaving residents at risk of injury or unable to live independently.

1.7 Conclusions

- 1.7.1 The DFG budget for 2008/09 is under continuing pressure and will be overspent. It is unlikely any further funding will be secured and approvals have been suspended to assist in controlling spend. A revised 'bid' for 2009/10 funding to be increased had been made but it would appear this has not been accepted given

the allocation of £360,000 from GOSE (£561,000 in total). A significant contributing factor of the increased pressure on this budget is the dedicated and fast track procedure in place to assist Russet Homes' tenants.

1.8 Recommendations

- 1.8.1 It is **RECOMMENDED** that **CABINET**
- 1.8.2 **NOTE** and **ENDORSE** the temporary suspension of DFG approvals, except in urgent cases, in order to assist the control of the spend and commitment;
- 1.8.3 **NOTE** the position taken by Russet Homes in respect of the request they make a more meaningful contribution towards the cost of adaptations to the homes of their tenants; and
- 1.8.4 **NOTE** and **ENDORSE** the increased 'bid' submitted as part of the HSSA 2008 for DFG funding in 2009/10.

The Director of Health and Housing confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

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Nil

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