

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

18 May 2009

Report of the Director of Health and Housing

Part 1- Public

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

1 DISABLED FACILITIES GRANTS

Summary

This report updates Members on the final spend against the Disabled Facilities Grant (DFG) budget in 2008/09. It also updates Members on the discussions with Russet Homes regarding the significant demand they are placing on the DFG budget.

1.1 Background

- 1.1.1 Members are aware from previous reports presented to this Board that the DFG budget was under severe pressure in 2008/09 and as a result approvals of DFGs, other than urgent cases, were suspended in October 2008.
- 1.1.2 A significant contributing factor to the increased pressure on the DFG budget is the improved procedures in use by Russet Homes. I highlighted the continuing and growing pressure on the DFG budget arising mainly from the growth in demand for adaptations within Russet Homes' stock. Consideration of introducing a limit on expenditure on Russet Homes' properties was deferred because of the helpful intervention by Russet Homes Managing Director, Keith Andrews, from whom I received an expression of willingness to seek a solution to the growing budgetary problem. This report updates Members on progress achieved through that constructive dialogue.

1.2 Expenditure in 2008/09

- 1.2.1 Members will recall the total DFG budget for 2008/09 was £653,000. This includes the additional £55,000 Government allocation we were awarded late in the year.
- 1.2.2 The final expenditure in 2008/09 on DFGs was £720,000. There was therefore an overspend of £67,000 which will be covered by pulling forward from the 2009/10 DFG budget within the Capital Plan.
- 1.2.3 Of the total spend in 2008/09, 65 per cent was on housing association properties mainly Russet Homes.

1.3 DFG Budget for 2009/10

- 1.3.1 The DFG budget for 2009/10 is £561,000. However after allowing for the overspend from last year this reduces to £494,000.
- 1.3.2 Clearly approval of DFGs has now commenced again in earnest and there will be a period of catch up as we approve cases strictly in date order. As ever cases identified as urgent will be approved as soon as possible.
- 1.3.3 Since 1 March 2009 to the date of writing this report, (6 May 2009), there have been 60 DFG approvals (50 of which were Russet Homes). The total grant approved for all these cases was approximately £224,000, already 45% of the remaining budget for the year. Clearly there is continuing concern about the pressure the DFG budget will be under in this financial year and beyond.
- 1.3.4 We will continue to work closely with Government Office for the South East (GOSE) and Communities and Local Government (CLG) to keep them updated on the demand for DFGs and the high level of spend we are incurring. We will press for top up and increased allocations at every appropriate opportunity.

1.4 Discussions with Russet Homes

- 1.4.1 I have had several positive discussions with Russet Homes' senior management since the last meeting of this Board.
- 1.4.2 Russet Homes acknowledge the severe pressure that the demand to meet their tenants' needs is placing on the Council's DFG budget and are keen to work with the Council to achieve a long term viable solution.
- 1.4.3 Russet Homes are working on improving/amending procedures to ensure that their modernisation programme aligns with any proposed DFG works that need to be carried out for their tenants. For example where a bathroom is due to be refurbished under the modernisation programme but a tenant has been identified as requiring a flush floor shower, the funding that would have been used for the modernisation will be offset against the DFG thus reducing the cost of the grant. A meeting between the relevant Officers has already taken place to progress this issue. In the longer term it is hoped that Russet Homes' modernisation programme will allow for the installation of flush floor showers and other adaptation works where appropriate.
- 1.4.4 Russet Homes are also looking at recycling of stairlifts where appropriate and again this could reduce spend on certain grants. My Officers have already seen evidence that this option is being investigated by the Technical Officer at Russet Homes.

- 1.4.5 With regard to the reducing the overall demand on the DFG budget, Russet Homes is considering a number of options including increasing the maximum limit they set on adaptations that they will fund (currently £1,000), funding certain types of works e.g. flush floor showers without a DFG application and contributing towards the DFG budget for their tenants.
- 1.4.6 As an interim position for 2009/10, I am proposing a notional allocation from the DFG budget to Russet Homes of £350,000. This arrangement should continue to meet their tenants' needs whilst permitting the Council to provide a more equitable share of the total DFG budget across all housing tenures. A notional allocation of £350,000 is approximately £100,000 less than spend on Russet Homes' properties in 2008/09. Russet Homes is now investigating how best it can meet the further costs of its tenants' schemes beyond the £350,000 allocation.
- 1.4.7 It is anticipated that the notional allocation will be enshrined within a partnership agreement to cover an initial one year period to be followed by a further review. That Agreement would seek to ensure Russet tenants in need of adaptations are not disadvantaged by these arrangements and that the current pressure on the Borough Council's DFG budget would be eased sufficiently to meet demand across all tenures. The review after the first year would also assess whether the arrangements are creating a backlog of cases leading to additional pressure on the 2010/11 budget.
- 1.4.8 A notional allocation of £350,000 would equate to approximately 100 DFGs (based on an average grant of £3,500). I need to be able to manage the allocation arrangement carefully because once an application for grant is submitted, the Council is under a duty to approve it within six months irrespective of whether or not an agreed allocation has been reached.
- 1.4.9 The approach outlined above has the in principle support of Russet Homes' senior management but is subject to ratification by this Board and Cabinet and Russet Homes' Board of Management. I consider this interim position for the current year a positive step forward in that it will reduce the spend previously incurred on Russet Homes properties and sees further significant financial input from them towards major adaptations for their tenants. I will update Members further at the meeting on the latest position.

1.5 Legal Implications

- 1.5.1 DFGs 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. Although delaying approvals has been used as a method of controlling expenditure in 2008/09 the Council has not failed in its legal duty and all approvals have been made within the six months.

1.6 Financial and Value for Money Considerations

- 1.6.1 The 2008/09 DFG budget was overspent by £67,000. The overspend has been funded by pulling forward funding from the DFG budget 2009/10 within the Capital Plan. The DFG budget for 2009/10 is £561,000.

1.7 Risk Assessment

- 1.7.1 Where the Council has to delay approvals, applicants' adaptation works cannot go ahead which could be leaving residents at risk of injury or unable to live independently and jeopardising their quality of life.

1.8 Conclusions

- 1.8.1 The DFG budget for 2008/09 was overspent and is likely to be under severe pressure in the current financial year and beyond.
- 1.8.2 There have been positive discussions with Russet Homes since the last meeting of this Board and an interim position on funding for 2009/10 has been reached with work ongoing to reach a long term solution.

1.9 Recommendations

- 1.9.1 It is **RECOMMENDED** that **CABINET**
- 1.9.2 **NOTE** the overspend against the 2008/09 DFG budget of £67,000 and how this is to be met;
- 1.9.3 **NOTE** and **ENDORSE** the proposed notional allocation of £350,000 of the 2009/10 DFG budget on Russet Homes properties; and
- 1.9.4 **NOTE** the ongoing work to improve/adapt procedures at Russet Homes to reduce the demand on the DFG budget and to secure a long term viable solution to this issue.

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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