

Subject:	Housing Adaptations Service Update
Date of Meeting:	17 June 2015
Report of:	Geoff Raw, Executive Director Environment, Development & Housing
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Ward(s) affected:	All

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Housing Committee (4 March 2015) resolved to continue to monitor and scrutinise Disabled Facilities Grant (DFG) applications. This report provides an update on the Housing Adaptations Service out-turn for 2014/15 including DFG investment in private sector housing and Housing Revenue Account (HRA) funded adaptations to Council homes.
- 1.2 Housing Committee has previously agreed a range of action to be taken to mitigate DFG capital expenditure pressures arising from increased demand and reduced Private Sector Housing capital budgets; noted the role of the Better Care Board in monitoring the allocation to the DFG from 2015/16; noted the role of the Housing Adaptations Service in undertaking proactive work to better manage demand through making best use of existing adapted and accessible housing stock and in increasing the supply of new build accessible homes. This report: updates on actions to mitigate capital funding pressures; the implementation of decisions made by Committee (10/09/14 and 04/03/15); and, other potential measures to manage the DFG expenditure within exiting budgets.
- 1.3 Brighton & Hove has rising demand for housing adaptations in the City as people live at home for longer with more complex needs. Ensuring that adaptations are done at the right time to support people to stay in, or return to, their own homes when they want to is a priority in the Housing Strategy 2015. A total of £2.63m was spent on delivering housing adaptations across all tenures (Council & private sector) in 2014/15 (£2.16m was spent in 2013/14). The 'Better outcomes, lower costs' (ODI/University of Bristol 2007) report and Audit Commission (2009) 'Building Better Lives – getting the best from strategic housing', provide evidence that investment in housing adaptations brings significant savings to Health and Social Care budgets, reducing residential care and hospital admissions and delayed discharges. The Audit Commission (2009) 'Building Better Lives – getting the best from strategic housing' found that spending between £2,000 and £20,000 on adaptations that enable an elderly person to remain in their own home can save £6,000 per year in care costs.
- 1.4 This work reduces pressures on more costly residential, supported or acute care that may otherwise be required through Children's, Adults Social Care or Health services and supports key Corporate Plan priorities.

2. RECOMMENDATIONS:

That the Housing and New Homes Committee:

- 2.1 Note the outturn and investment in adaptations;
- 2.2 Approve the measures in place to manage the DFG expenditure within budget over the next three years.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Housing Adaptations Service improves the quality of life for children and adults with physical disabilities, their families and carers by enabling independent living through assessment and delivery of appropriate housing adaptations and assistance across all tenures in the City.
- 3.2 In addition to discharging Council statutory duties arising under the Care Act 2014 and the Housing Grants, Construction and Regeneration Act 1996 in relation to assessment of need and the delivery of major housing adaptations, the Service takes a preventative housing options based approach making best use of existing adapted and accessible housing and commissioning new wheelchair adapted homes to meet assessed needs.
- 3.3 The Service contributes to the delivery of the Housing Strategy 2015, adopted at Council on 26 March 2015, by ensuring that adaptations are done at the right time to help residents to remain independent in their own home. This supports Corporate Plan priorities to provide earlier, more accessible and preventative support to vulnerable people and their families and to promote independence and reduce the need for acute and residential care services.
- 3.4 In the private housing sector (rented and owner-occupier) major adaptations are largely funded through the Disabled Facilities Grant (DFG). Entitlement to a DFG is mandatory for eligible disabled people, the grant providing financial help for the provision of a wide range of adaptations ranging from stair lifts, level access showers and home extensions. The DFG grant limit is £30,000.
- 3.5 The allocation from government via the DFG was never been intended to meet 100% of local adaptations expenditure. Previously, Private Sector Housing Renewal Assistance (PSHRA) has provided significant top up to the DFG budget. In addition, discretionary assistance of up to £50,000 was available under our PSHRA policy to eligible applicants who required additional funding where the total cost of work exceeded the DFG limit or assistance to move to a more suitable property. There is no longer a Private Sector Housing capital programme. With increased demand this has contributed significantly to capital pressures arising.
- 3.6 Housing Committee 18 June 2014 considered a Housing Adaptations Service update report on the outturn in 2013/14 and budget commitments in 2014/15 and beyond. Committee were asked to consider the capital funding pressures going forward in light of the end of the Private Sector Housing capital programme and the options for managing rising demand for and expenditure on major housing adaptations where this was forecast to exceed the capital funding available. Committee agreed that an options paper come back to outline potential

measures to mitigate the future capital funding pressures identified. Committee noted that without reviewing alternative funding and delivery options it is likely that the capital provision will be fully spent and committed and the service would have to operate a waiting list.

3.7 Housing Committee on 10 September 2014 and 4 March 2015 considered update reports highlighting capital funding pressures in 2014/15 and beyond, particularly in respect of the DFG, and the options for managing the demand for and expenditure on major housing adaptations where this continued to be forecast to exceed the capital funding available. The pressure arises in light of rising demand, the mandatory nature of the DFG, and the end of any Private Sector Housing capital programme to 'top up' DFG funds.

3.8 Housing Committee approved a number of recommendations, including:

- Consulting with Registered Provider (RP) partners to seek a greater contribution from them toward the overall cost of adaptations to their homes.
- Greater use of the Council's Adaptations Framework Agreement of specialist contractors for adaptations in the private housing sector to reduce the average cost of works, speed up the process and achieve better value for grant.
- Consultation with Council tenants and key stakeholders on the introduction of an adaptations policy for Council tenants.

3.9 In addition, Committee were advised on the creation of the Better Care Fund which from 2015/16 includes £220m national DFG funding and the role of the Health & Wellbeing Board in determining the future Better Care Fund allocation linked to Health outcomes.

3.10 In March 2015 Housing Committee received an update report on the implementation of these recommendations and noted the Health & Wellbeing Board on 9 December 2014 considered the extract from the Housing Committee proceedings in September and resolved 'that the Board agrees that the allocation for the Disabled Facilities Grant will be monitored by the HWB as part of the governance arrangements for all schemes in the Better Care Fund.'

3.11 Committee has also noted the work of the Housing Adaptations Service to pro-actively support households to make informed choices about their housing options as a potential alternative to expensive and disruptive adaptations to their existing home and better manage demand for adaptations in Council and private sector through:

- Strong links with the Housing Development in the commissioning of new affordable accessible housing, working with Registered Providers (RPs) and private developers at pre-Planning design stages and seeking early nomination to and specification of new wheelchair accessible housing both for rent and part buy part rent. During 2014/15, 31 new wheelchair adapted homes were commissioned under the Affordable Housing Development Programme, 18 for rent and 13 for shared ownership.
- Working with City Regeneration on the New Homes for Neighbourhoods initiative, providing guidance on inclusive design principles to help maximise the amount of accessible and fully wheelchair adapted homes planned under

our estates regeneration programme, including new wheelchair accessible Council homes on sites such as Preston Road.

- Working with Home-move to support people through the housing application and lettings process, dedicating Occupational Therapy hours to accompany disabled applicants to view offers of Council and RP properties, advising on the suitability of the property in order to make best use of the adapted and accessible social housing stock through the Accessible Housing Register.
- Joint work on other HRA capital investment programmes to enable more wheelchair adapted and accessible homes, for example sheltered housing refurbishment, adapting one bed ground floor empty properties (6 completed 2014/15) and the loft & extensions scheme (2 completed 2014/15).
- Scrutiny of all applications for major adaptations costing over £10K at Major Adaptations Panel.
- Development of the housing options approach in the private sector through commissioning of the advice and support service for older and disabled people with the local Home Improvement Agency (HIA).

3.12 The outturn last year, 2014/15, is summarised below

2014/15	Budget	expenditure	Number of grants completed/adapts delivered
DFG	£1,074,996	£1,441,817	179 grants completed
HRA Adaptations	£1,150,000	£1,185,139	893 adapts delivered: 238 major adaptations 655 minors

Disabled Facilities Grant

3.13 In 2014/15 there were 179 grant completions. The average grant was £8,265. The average figure should reduce with more work ordered through the Adaptations Framework Agreement going forward. The budget overspend of £0.367m is expected to be met out of the 2015/16 confirmed allocation via the Better Care Fund of £0.911m.

3.14 The level of commitment against the DFG, i.e grants approved not paid in 2014/15, plus the expenditure to date provides a forecast spend 2015/16 of £1.048m. This exceeds the confirmed budget for the year.

Housing Revenue Account Adaptations

3.15 In 2014/15 the HRA Adaptations budget funded 238 major adaptations (those over £1,000) and 655 minor adaptations. The average HRA budget spend on a major adaptation was £4,470. The budget overspend of £0.035m will be covered by underspends elsewhere in the HRA capital programme. The budget for 2015/16 remains at £1.15m.

Measures in place to manage DFG expenditure within budget

3.16 The implementation of the recommendations approved by Committee in respect of the DFG, i.e. Registered Provider partners contributing toward the cost of adaptations in their homes and greater use of the Council's Adaptations Framework to achieve better value for grant, is anticipated to deliver estimated

savings of £0.102m this year (2015/16) and £0.276m the following year as outlined below.

- 3.17 Working together with the local Home Improvement Agency (HIA) we have confirmed that 65% of all grant assisted work in the private sector is to come through the Council's Adaptations Framework Agreement of specialist contractors. It is anticipated this will make a 20% saving on the average cost of an adaptation.
- 3.18 The consultation with RP partners on their contribution toward the cost of adaptations in their homes from 01/04/15 was broadly positive. The responses and confirmation of individual RP contributions is detailed below. Based on an average contribution of 40% it is estimated that RPs will contribute £54,000 in 15/16 and £146,000 in 16/17.

RP	Confirmed/response
AffinitySutton	Confirmed
Amicus Horizon	Confirmed – capped at a total annual contribution of £4,500
Guinness	No response to date
HydeMartlet	Awaiting final confirmation
MOAT	Confirmed contribution 40% of costs between £1,000 and £10,000 a maximum of £4,600 for projects of £10,000 no contribution to adaptations above £10,000
Orbit	No response to date
Sanctuary	Waiting final confirmation
Southern Housing Group	Confirmed

- 3.19 In addition to these measures the need to manage the DFG expenditure within budget going forward makes it necessary to implement a recovery plan for all possible savings and to action these in respect of all new DFG applications received from 1 April. The recovery plan includes the additional measures:
- A condition on all new grant approvals in 2015/16 to defer payment of the grant until April 2016.
 - Reducing the level of Home Improvement Agency and other fees paid.

If budgets and demand remain at current levels (£0.911m), then implementation of all the measures outlined above will still leave significant budget pressures for Housing by the end of 2016/17 unless further mitigation measures are agreed or additional funding identified.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The finance options to manage the position on the DFG budget included:
- Use of other underspending capital budgets to offset the pressure – there were no underspending capital budgets identified to do this.

- Making a one off contribution from revenue to cover the pressure – no underspending revenue budgets identified to do this.
 - Borrowing, paid back with interest over an agreed period – not considered on grounds of additional costs and because this scheme would not comply with the prudential code for borrowing.
- 4.2 In March, Committee considered the scope to include fully adapting for wheelchair use some Council properties identified as being ‘suitable to adapt’ when they become empty for re-letting. The Housing Adaptations Service, with the Tenants Disability Network (TDN), is mapping those areas most suitable to adapt and working together with the Housing Asset & Sustainability team to make best use of the capital investment to increase the supply of larger family homes and wheelchair accessible homes. This work is on-going.
- 4.3 The report to Committee in September included consideration of additional alternative options to mitigate budget pressures including those outlined below. It is proposed that these options remain under review with key stakeholders and are the subject to a further report back to a future Housing Committee on progress & outcomes. Additional options, and potential issues arising, include:
- In Brighton & Hove the provision of equipment such as stair-lifts, ceiling track hoists, is funded through the DFG route. In 2014/15, around 23% of the DFG budget was spent on equipment for adult and children’s cases. Not all local authorities fund such equipment via the DFG. Given the DFG budget is under pressure to meet all types of work that the mandatory grant can cover looking at alternative funding for the provision of equipment would reduce the pressure on DFG. However, this risks shifting capital pressures onto other budgets.
 - In Brighton & Hove the DFG is issued to include the cost of providing extended 5 year warranties on equipment i.e. any electrical equipment typically stair-lifts, hoists, automatic doors. All adaptations are covered by a 1 year warranty. The cost of extended warranties varies typically ranging from £400 for a stair lift up to £1,800 for a specialist height adjustable bath. Where the equipment is provided for private use within the home and the disabled person’s own equipment it is their responsibility to ensure it is properly maintained and safe to use. Not funding the provision of the extended warranty under the DFG could reduce the overall DFG spend. However, this would result in a worse service and higher costs for the disabled person and risks shifting capital pressures on-to other budgets to fund in cases of hardship.
 - Under the DFG process, we have previously accepted RP landlord applications on behalf of their tenants. These applications are not subject to a means test and we currently fund adaptations in RP homes up to the grant limit £30,000. The rationale for this approach was that it simplified the application process and increases the amount of adapted social housing available to those on the Council’s housing register. In 2013/14 we approved 53 RP landlord applications of which 90% of those RP tenants were in receipt of a pass-porting benefit and entitled to a full grant in their own right. Accepting only RP tenants’ applications rather than landlord applications would ensure the DFG was always issued subject to a means test and spent on those in greatest need of assistance.

- From 2009/10 to 2013/14, £0.666m in Private Sector Housing Renewal Assistance has been returned to the city council with 2013/14 showing the highest return with a total of £0.284m repaid. This is not currently recycled back into Private Sector Housing capital programmes. This repayment activity is likely to increase in future given the high level of renewal assistance funding achieved under the successful BEST bids to Regional Housing Board. Critically this capital recycled into private sector housing could provide a capital programme to continue to 'top up' the DFG allocation.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Consultation with the Tenants Disability Network took place in January about the mapping of areas suitable to adapt.
- 5.2 The consultation with Registered Provider partners on their greater contribution toward the cost of adaptations in their homes began 6 February 2015, followed up 24 February and 25 March and with individual respondents.

6. CONCLUSION

- 6.1 The measures previously approved by Committee and the additional measures put in place for all new DFG applications this year are necessary to recover the financial position and manage within budget going forward.
- 6.2 There is a critical role for the Better Care Board in monitoring the allocation to the DFG by the Health & Wellbeing Board as part of the governance arrangements for all schemes in the Better Care Fund.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The Disabled Adaptations budget within the general fund overspent for the year ending 31st March 2015 by £0.367m. The overspend is being funded from the grant for 2015/16 which is assumed to be £0.911m. Hence, there is only £0.544m left to fund the 2015/16 grants.
- 7.2 For 2015/16 there is already spend to date and a commitment to pay grant totalling £1.048m, leading to a forecast overspend of £0.504m (a budget pressure for the general fund). Unless immediate action is taken to either reduce spend or increase resources, this pressure will increase further if any more grants are paid in 2015/16.
- 7.3 An action plan was put in place in February 2015 to address this pressure going forward. The first step is to put a condition on all new grant approvals in 2015/16 to defer payment of the grant until April 2016. The plan also identifies new income from registered providers, ensures more work is procured through the framework agreement at cheaper rates as well as reducing fees. Given that commitments have already been made for 2015/16, some of these measures will

take time to generate savings. If all of the measures are successful, current estimates are that significant pressures (estimated at £0.400m) will still exist for this budget going forward to 2016/17 and therefore either new resources need to be identified or expenditure reduced further.

- 7.4 The HRA Capital Programme for 2015/16 includes a budget for £1.150m for Disabled Adaptations and is currently forecasted to spend within budget.

Finance Officer Consulted: Monica Brooks
2015

Date: 26th May

Legal Implications:

- 7.5 The Housing Grants, Construction and Regeneration Act 1996 governs the administration of Disabled Facilities Grants. The measures outlined in the report to manage DFG expenditure are compatible with the statutory regime.

Lawyer Consulted: Name Liz Woodley

Date: 22/05/15

Equalities Implications:

- 7.6 The overall reduction in DFG budget is likely to result in disabled private sector residents waiting longer for the completion of major adaptations with the associated risk of an increase in falls and injury in the home, hospital admissions, higher packages of care, early entry into residential care, and a loss of independence. In mitigation, potentially, the higher proportion of private sector work going through the Council's Adaptations Framework will be delivered by contractors already working with BHCC and engaged through regular contract review meetings.
- 7.7 Reduction in the level of fees paid to the HIA could result in the agency needing to reduce its operating costs potentially reducing the level of service it can provide to disabled people opting for casework and technical support with grant assisted work and to older and disabled people referred to the broader housing options advice and support services it offers.

Sustainability Implications:

- 7.8 None.

Any Other Significant Implications:

- 7.9 None.

SUPPORTING DOCUMENTATION

Appendices:

None.

Documents in Members' Rooms

None.

Background Documents

1. 'Better outcomes, lower costs' (ODI/University of Bristol 2007).
2. The Audit Commission (2009) 'Building Better Lives – getting the best from strategic housing'.
3. Housing Committee, Housing Adaptations Update Report, 18 June 2014.
4. Housing Committee, Housing Adaptations Update Report. 10 September 2014.
5. Housing Committee Housing Adaptations Update Report, 4 March 2015.

Crime & Disorder Implications:

- 1.1 None.

Risk and Opportunity Management Implications:

- 1.2 These are included in the body of the report where possible.

Public Health Implications:

- 1.3 The reduction in the DFG budget is likely to impact on the delivery of housing adaptations, the prevention of falls and injury in the home and the wellbeing of older and disabled people. Housing adaptations, assessed as necessary and appropriate, promote independent living, enabling disabled adults and children to live as independently as possible by facilitating access to or provision of essential facilities such as an accessible bathroom for safe bathing and toileting, kitchen for the preparation of food, safe access in to and out of the home and the provision of adequate heating or lighting for comfort and safety.

Corporate / Citywide Implications:

- 1.4 This work reduce pressures on more costly residential or supported care that would otherwise be required through children's or adults social care services and supports the following priorities in the draft Corporate Plan 2015-19 to help us deliver "*A good life - Ensuring a city for all ages, inclusive of everyone and protecting the most vulnerable*":
 - Coordinate services and spending better between public services to improve equality, for example through the Health & Wellbeing Board and the Local Housing Investment Plan.
 - Invest in early intervention and prevention for vulnerable families to ensure better long term outcomes and reduce the cost of expensive interventions once families reach crisis.
 - Keeping children and young people safe, at home and in learning and social environments.
 - Providing better care services for older and vulnerable people, focused on personal choice and staying independent.
 - Ensuring the city's housing stock is well managed and good quality, to support independence, health and wellbeing, and avoid homelessness.

