

**Disabled Facilities Grants: current and future investment**

Executive Member: Councillor George Clements  
Lead Officer: Julie Betteridge  
Report Authors: Laurie Priebe & Debra Cochrane

FOR CONSIDERATION – the allocation from DCLG of capital funding

**Summary**

In March 2011 the DCLG announced the capital grant allocations for Disabled Facilities Grants (DFGs) for 2011/12. This report contains the allocation for Copeland and the other Cumbria housing authorities for comparison. It also describes in Appendix A an approach to ministers and a letter to MPs in Cumbria requesting their support. Members are requested to note the report.

**1. INTRODUCTION**

- 1.1 On 3 March 2011 the DCLG announced the Specific Capital Allocations (SCA) for DFGs. The outcomes for Copeland and the other Cumbria housing authorities are shown in the table below.
- 1.2 Until this year the allocations were subject to local authorities' bidding. For 2011/12 the government guaranteed that authorities would receive as a minimum the same amount as in 2010/11 but there was an £11M increase in national funding that has been distributed. Copeland gained a larger increase than our neighbours in the county (but starting from a lower baseline).

Local Authority	Allocation 2010/11	Allocation 2011/12	Change
Allerdale	£390,000	£427,000	+ £37,000
Barrow-in-Furness	£399,000	£449,000	+ £50,000
Carlisle	£663,000	£663,000	0
Copeland	£210,000	£261,000	+ £51,000
Eden	£158,000	£158,000	0
South Lakeland	£226,000	£242,000	+ £16,000

- 1.3 The table shows that Copeland received the second lowest allocation in 2010/11 but the increase for 2011/12 improved to the third lowest above South Lakeland and Eden. This should not be seen as a competitive process because we have more to gain in Cumbria by collaboration, as our collective achievement of the LAA stretch target last year shows (to which Appendix A refers).

- 1.4 There is also a national underspend from 2010/11, which has been redistributed in equal shares of £4,100. This raises Copeland's total to £265,100 for 2011/12, which is under half of our anticipated commitment based on last year's capital outturn of around £609,000. The shortfall will be met from useable capital receipts reserves as specified in the capital programme approved by Full Council on 22 February 2011.
- 1.5 In November 2009 a delegation of Cumbria elected members met the (then) Minister with responsibility for DFGs to press the case for higher allocations. In March 2010 a further £708,000 was provided in addition to the allocations shown in the table above. This was split equally between the 6 housing authorities and Copeland's share was £118,000.
- 1.6 Despite the increase of £51,000 for 2011/12 our allocation falls well short of the bid we made of £675,000 before the end of the bidding system was announced. In future years the government has said that allocations will be based on a needs index, the methodology of which has not yet been published but is promised.
- 1.7 The link between ageing and disability is well documented but is by no means the only indicator of disability, which affects people of any age. Our Strategic Housing Market Assessment, 2010, shows the following.
- 1.8 Although the overall population is expected to increase by 7.2% from 2010 to 2033, the number in older age groups is set to rise dramatically with 100% increase in those aged 75+ and 192.9% in residents aged 85+ (sourced from the Office of National Statistics). Our household survey in the summer of 2010 showed that older residents required the following: bathroom adaptations (16.7%); better heating (12%); more insulation (10.2%).
- 1.9 A typical DFG costs about £5000 (roughly the cost of a level access shower or a stairlift) compared to the estimated cost of £30,000 to health and social care of a hip fracture. DFGs are therefore a very cost-effective investment in the health, safety and welfare of people with disabilities. It is also no exaggeration to say that they reduce mortality.

## **2. THE CASE FOR FURTHER INVESTMENT**

- 2.1 Attached as Appendix A are:
- i) a briefing paper
  - ii) a draft letter to Grant Shapps M.P., Housing Minister
  - iii) a draft letter to Cumbria MPs
- 2.2 We were informed on 1 April 2011 that the draft letters were agreed by Leaders without change. They were signed and sent in that month by:
- all Leaders;
  - Councillor James Airey, Cabinet Member for Adult Social Care, Cumbria County Council;
  - Professor John Ashton, Director of Public Health, Cumbria.

**BRIEFING and SUBMISSION– Disabled Facilities Grants – Letters to Grant Shapps MP, Housing Minister, and to Cumbrian MPs**

**Introduction**

At the last Joint Districts, Leaders discussed the difficulties over the funding of Disabled Facilities Grants in 2011-12. Following their discussion, it was agreed that officers prepare a letter to Ministers at DCLG, requesting a meeting to discuss the issue. They also requested that letters be drafted asking MPs in Cumbria for their support and to make them aware of the current situation.

**Draft Letter to Ministers requesting a further meeting on Disabled Facilities Grants.(APPENDIX ONE)**

The letter sets out three key issues and the link between them.

- The loss of Capital Funding to Local Authorities, particularly the Regional Housing Capital Pot and the consequent loss of funding for DFGs.
- The growing demand due to Cumbria's growing Older People Population.
- The effect of the reduction in the availability of DFGs on costs in Health and Social Care, as they provide more treatment and care at home; causing an increase, for example, in unplanned hospital admissions and unplanned placements in residential care.

The letter asks for a meeting to discuss the current situation and to make Ministers aware of the linkage between policies to keep people as independent as possible at home as they grow older and the increased demand for DFGs. It also begins to set out the funding difficulties caused by the loss of Capital Grant in District Councils. It also raises the issue of the effects on the costs of both Health and Social Care should DFGs become unavailable.

**Draft Letter to MPs asking for their support.(APPENDIX TWO)**

This letter sets out the situation in more detail and asks MPs for their support in pressing the Government for more funding. It also sets out the possible consequences, if DFGs are not available to people, who have been assessed as needing them to both the individual and public services. We have also offered them the opportunity to attend with us, if they should wish to do so.

## **Recommendation**

Attached to this briefing are drafts of the two letters as requested. Leaders are asked to approve the approach taken in the letters and provide comments prior to final drafts being prepared for signature. It is proposed that both letters should be signed by Leaders of District Councils and that we should also seek signatures from James Airey, Cabinet Member, Adult Social Care, at Cumbria County Council and from Prof. John Ashton, Director of Public Health.

It is proposed that the MPs' letter is sent out at the same time as the letter to Grant Shapps MP, with a copy of the letter to Grant Shapps MP enclosed.

## **Background**

1. In November 2009, Mike Mitchelson, Leader of Carlisle City Council, led a delegation of members to meet with Lord McKenzie, then Minister with responsibility for Disabled Facilities Grants (DFG) at the Department of Communities and Local Government. The meeting had been arranged to highlight the increasing demand for DFGs in Cumbria due to its increasing older people population. We also updated the Minister on the work Cumbria was doing as part of the 'Unringfenced' DFG Pilot; one of four areas nationally. The meeting also discussed the improvements that Cumbria had made to the delivery of DFGs, by reducing waiting times for the approval of DFGs. Local Authorities had agreed to set a Stretch Target as part of Cumbria's LAA to improve waiting times for DFGs. In 2006 it took on average 44 weeks to approve a DFG in District Councils, by the end of the Target in March 2010, this had reduced to an average of 10 weeks.
2. At that meeting, the Minister was positive about the work being done in Cumbria and thanked members for their support in the 'Unringfenced' Pilot. The Minister took away the issues that were raised concerning the increased demand for DFGs and offered a further meeting to review the situation. In March 2010 to help District Councils with their work as part of the Pilot, a further £708k was provided in addition to the normal DFG allocation from Government.
3. Following the CSR in October 2010 and the announcement of the removal of the Regional Housing Capital Pot, there has been a significant reduction in the Capital Budget, which has in the past supported the payment of DFGs in District Councils. As Councils have begun to set their budgets for 2011-12, it has become clear that the DFG Budget has a significant deficit, if expenditure remains at the same levels of 2010-11. This deficit is expected to be larger in

some Districts than others but is estimated to be about £2.5m across Cumbria. Government has announced as part of the CSR, that their allocation funding for DFGs to Councils will be retained and in fact increased over the next 4 years. Therefore we are expecting the allocations to Districts, due to be announced shortly, to remain similar to 2010-11 at £2.05m. It is also expected that expenditure will be at around £5m this year. The proportion of Government allocation compared to total expenditure this year is expected to be at about 40%.

4. DFGs are a mandatory grant and District Councils must approve the grant if the applicant meets the minimum essential criteria. An applicant must first be assessed by an OT from Social Services who provide an assessment of what adaptation the person needs. The grant is available to both adults and children regardless of the tenure of someone's home. For adults, applicants must undergo a means test and make a contribution to the cost of the work, if their savings and income are above a certain level. Many people, over 90%, though have no contribution to make due to being in receipt of means tested benefits. In Cumbria, over 80% of the grants are given to those over 65. Demographically, this sector of the population is growing and the level of expenditure on DFGs has also increased in line with this.
5. Cumbria is at the forefront of the changes the Government is proposing as part of its NHS reforms. Cumbria NHS 'Closer to Home' Strategy began the process of moving control of Health commissioning to local GP Consortia in 2006. By April of this year, GP Practices will have control of 97% of the Health Budget in the County. Cumbria's JSNA has highlighted the importance of keeping older people as independent as possible in their own home; they have also told us that this is what they want themselves. Services, which make homes suitable for continued care at home, such as adaptations have faced increased demand.
6. The letters set out the situation in Carlisle, which accounts for most of the expected deficit. The total expenditure on DFGs this year including the commitment rolled forward into next year will be about £2.1m. Measures are being taken to limit the scope of the applications and to place a hold on the approval of new work. Unless new funding is found it is likely that waiting times will significantly increase. District Councils are meeting with Social services to agree mitigating measures to reduce demand and to agree a risk based targeting approach to ensure that those at most risk are dealt with first. Given the increasing complexity of cases it is likely that this will prove difficult. Applicants are already screened under Fair Access to Care Criteria by CCC and then assessed by Social Care for their needs. We already apply the criteria of minimum essential to all applications for DFGs.

7. Discussions are also taking place with CCC about how the extra money from Government for Social Care from the Health Budget will be allotted. Districts are arguing that a portion of this money should be given to Districts for the funding of DFGs. We know that partners in Health and Social Care are well aware of the significant role DFGs play in improving outcomes for older people; as was recognised in the setting of a Stretch Target as part of Cumbria's LAA.

Robert Cornwall

Project Manager – Disabled Facilities Grants

March 2011

## APPENDIX ONE –

### DRAFT LETTER TO GRANT SHAPPS MP

#### Disabled Facilities Grants

Dear

In November 2009, Lord McKenzie met with Leaders from Cumbria's District Councils to discuss Disabled Facilities Grants. The meeting was arranged to update Ministers on the progress Cumbria was making in improving its delivery of major adaptations. Cumbria was at that time one of the four authorities nationally, which took part in the 'Unringfenced' Pilot of the DFG budget, evaluated at the end of last year.

At that meeting, the Minister invited Leaders to return for a further meeting at a later date, and we would like to take up the opportunity to discuss further how DFGs are supporting people to remain independent at home in Cumbria. As we set out in our last meeting, Cumbria has a rapidly growing older people population and demand for DFGs has increased significantly over the last four years.

Over this period, we have also changed the way our Health Services are organised to a GP led model, as outlined in the recently published Health and Social Care Bill. This change was set out in our 'Closer to Home' strategy in 2006 and has led to the point where GPs will control 97% of Cumbria's Health Budget by 1<sup>st</sup> April this year.

The shift to a Prevention based approach, which, for example, reduced the number of unplanned hospital admissions in Cumbria by six per cent last year, is something all authorities agree as the best way to keep our Health and Social Care systems sustainable.

District Councils are keen to play their part in this by supporting people to live safely at home, whilst still being able to access its facilities. This means that they are at less risk of falling, for example, and from suffering common injuries such as hip

fractures, which cost the health and social care system on average £30k. This is an unnecessary cost, if we can prevent these falls, when compared to the average cost of a DFG in Cumbria, which is about £5k.

In 2006, Cumbria set a stretch target as part of its LAA (2007-2010) to reduce the waiting times to approve DFGs. We reduced the average time to approve grants from 44 weeks to 10 weeks. Over that period from 2006 to 2010 we also approved twice as many grants; an indication of the growth in demand. We have also made significant improvements to the delivery of adaptations as a response to the needs of our older people population. The growth in our older people population is indicated by the creation of new households by those over 65, which in some Districts in Cumbria have reached over 100%.

As Cumbria is a two-tier authority, the mandatory duty to provide DFGs is the responsibility of the six District Councils. As you are aware, the settlement of Local Government finance has significantly reduced Capital funding for Housing Authorities, particularly the Regional Housing Capital Pot. Most Districts have in the past used the Capital Pot to cover the gap between expenditure on DFGs and the DFG allocation from Government. Currently the Government's DFG allocation is meeting, for example in Carlisle, only 31% of the total expenditure this year of £2.1m. Government used to meet at least 60% of the cost of DFGs, with the local authority making up the rest.

With rising demand and decreases in the available Capital funds for DFGs, it is difficult to see how we are to meet the challenge of providing adaptations to those who need them.

We hope that we have set out the important part that DFGs play in the changes the Government is making to the way Health and Social Care is delivered. Cumbria is at the forefront of that change and District Councils are keen to support our older people to remain at home, which is something they tell us they want too.

We hope that you will be able to meet us to discuss our situation and look forward to hearing from you in the near future.

Yours Sincerely,

Leaders of District Councils

Cabinet Member, Adult Social Care, Cumbria County Council

Director of Public Health, Cumbria



## APPENDIX TWO

### DRAFT LETTER TO MPS

#### Disabled Facilities Grants

Dear

We are writing to ask for your support regarding the funding of Disabled Facilities Grants(DFG) in Cumbria. We are seeking a meeting with Grant Shapps MP, Housing Minister, to discuss this issue.

As you are aware, Local Government will have to make significant savings to their budgets over the coming year to help achieve the reduction of the budget deficit nationally. Our settlement with Communities and Local Government has led to a large reduction in our Capital Grants for next year, and in particular we will no longer be receiving monies from the Regional Housing Capital Pot. Officials have written to inform us that the Government's Allocation for Disabled Facilities Grants will remain at least at the level of 2010-11.

The demand for DFGs has increased substantially in Cumbria over the last 4 years. This is in part due to our growing older people population and the move by both Social Care and Health to support more people to live independently at home rather than use long stay hospital provision or residential care. We calculate that the DFG allocation from Government for the current financial year will meet about 40% of the total expenditure on DFGs , which are mandatory grants. The remaining funding has been found from existing Capital Grants, such as the Regional Housing Pot, some funding from RSLs, and monies from Districts' Capital Reserves. In 2011-12 and beyond the situation is set to become significantly more difficult.

For example, in Carlisle, the amount spent on DFGs in 2007-08 was £1m. This has risen year by year to reach a current annual expenditure expected by end of March of £2.1m. The Allocation from Government has not kept pace with the rising demand. In 2007-08, it was £525k and this year it amounted to £663k plus £118k, which we received as a result of our meeting with Ministers in late 2009, in

recognition of the work we were doing on a national pilot. This amounts to 37% of the total expenditure; in 2007-08 Government met 52% of the cost of DFGs.

Since 2008 all available Capital Housing funding has gone on DFGs. Carlisle Council stopped funding Renovation Grants completely that year, and this year has only had a very small budget for emergency minor works. We have added, as in previous years, all of our allocation from the Regional Housing Capital Pot. But as this Capital Grant will not be there in 2011- 12, the budget available for DFGs has reduced proportionately.

Carlisle received an allocation from Government of £663k for 2011-12, the same as last year. The Council may be able to negotiate extra funding of £300k from Riverside, our RSL partner, as we did in 2010-11 to contribute to the cost of adaptations in their properties. If expenditure remains the same as this year, there will be a shortfall for the coming year of at least £1.1m and could be as high as £1.8m.

At the moment, in Carlisle, there is no funding available for new applications for DFGs from the 1<sup>st</sup> of April. All of the allocation from Government for 2011-12 has been committed to pay grants approved in the last quarter of this financial year. This will also include adaptations for disabled children and their families.

The position in the other Districts is also difficult but some have been able to find additional funds; all are expected to have a shortfall of funding in 2011-12. If additional funds are not found this year, it is expected that most Districts will have committed their allocation for 2012-13 before 1<sup>st</sup> of April 2012, leaving no funds for new adaptations for the whole of 2012-13.

As you are aware, the changes in the way Health Services are provided in Cumbria, led by our GPs, will lead to more people remaining at home as the main place where they receive care and support. As a result of this, we are noticing an increase across Cumbria in the number and complexity of the DFG cases, as we are asked to support more people with adaptations to their home. DFGs make a home safe and give someone access to its facilities; such as being able to have a wash, improving how someone feels, right up to the end of life. Older people also tell us that they want to remain in their homes. Over 90% of applicants make no contribution to the cost of the work because they are in receipt of benefits or on a low income.

Without this help, older people, especially, are at increased risk of injury from accidental falls. DFGs are very cost effective; with an average adaptation for an older person costing about £5k. This compares to the cost of a hip fracture, which is often the result of an accidental fall at home, costing on average £30k in treatment and after care, funded from health and social care. Many people who suffer this injury may also need high cost residential care and there is a 40% risk of mortality.

DFGs help keep people as independent as possible for as long as possible. This will keep our Health and Social Care Services sustainable as we experience an increasing number of older people in our population.

We have attached a copy of the letter, which we have sent to Grant Shapps MP on behalf of the District Council Leaders. We hope you will be able to support us in setting out to Ministers the case for increasing their funding of DFGs in Cumbria, stressing the important link that DFGs have in supporting the Government's changes to the NHS and Social Care and the cost effectiveness of providing the grants.

If we are successful in gaining a meeting with Ministers, we would, of course, be delighted if you could attend also.

Yours Sincerely,

Leaders of District Councils

Cabinet Member, Adult Social Care, Cumbria County Council

Director of Public Health, Cumbria