

**Committee: Housing Board**

**Agenda Item**

**Date: 24 April 2014**

**12**

**Title: Future Funding of Disabled Facilities Grants**

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**Information Item**

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### Summary

1. This report informs the Housing Board on the Better Care Fund (formerly the Integration Transformation Fund) and its implications for the future funding of Disabled Facilities Grants (private sector).

### Recommendations

2. That the Housing Board notes
  - a. Essex County Council's intention to review the provision of Disabled Grant Funding
  - b. Officers will participate in any review or consultation process to ensure that the needs and requirements of residents requiring adaptation works continues to be met

### Financial Implications

3. Grant funding is to be provided for the next two years after which it will be subject to the outcome of a proposed review by Essex County Council.

### Background Papers

4. None

- 5.

Communication/Consultation	N/A
Community Safety	N/A
Equalities	There are significant implications in relation to the way the Council utilises DFG which need to be reviewed on an ongoing basis
Health and Safety	None
Human Rights/Legal Implications	There is a statutory duty on the Council to provide Disabled Facilities Grants under the Housing Grants, Construction and Regeneration Act 1996
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

## Situation

### 6. What is the Better Care Fund (BCF)?

In the autumn of 2013 the government announced £3.8bn of funding nationally to support the integration of health and social care. Called the Better Care Fund it is intended to be 'a single pooled budget for health and social care services to work closely together in local areas, based on a plan agreed between the NHS and local authorities'. The money will be allocated regionally and paid into a joint budget administered by Clinical Commissioning Groups (West Essex CCG) and Upper Tier LA's (Essex County Council) and spent in accordance with their agreed plan.

### 7. Disabled Facilities Grant funding (DFG)

Included within the total BCF is the funding previously allocated to LA's by the DCLG for private sector DFG's. Across the UK the government has allocated £220m for DFGs of which Uttlesford has been allocated £73,857 in 2014/15 rising to £103,000 in 2015/16.

The statutory duty to provide DFGs remains with district councils and the DFG money therefore has to be transferred from the pooled budget to this Council. Legislation has been enacted to ensure this is done in a timely manner.

From 2015/16 onwards WECCG and ECC have to agree their further spending plans and have advised that while they are not proposing changes to the DFG funding at this time they believe the BCF provides an opportunity to explore a holistic approach to improving the process from OT assessment through to DFG delivery and will be carrying out a review over the next year.

### 8. The Essex Allocation

The chart below shows the overall Essex BCF budget for 2015/16 of £94,956,000 and how that is going to be allocated between the different CCG's and the proposed DFG allocations per LA.

Total £000	Social Care Capital Grant £000	Revenue Funding for the BCF £000 per CCG	Disabilities Facilities Grant (Capital) £000
94,956	3,296	West Essex CCG 17,435	Basildon 552
		North East Essex 20,987	Braintree 418
		Mid Essex 21,651	Brentwood 165
		Castle Point/ Rochford 10,833	Castle Point 346
		Basildon/ Brentwood 16,041	Chelmsford 418
			Colchester 543
			Epping Forest

			363
			Harlow 323
			Maldon 233
			Rochford 219
			Tendring 1,030
			Uttlesford 103

## 9. DFG spending by UDC

The DFG grant provided by national government for local housing authorities has never been intended to meet 100% of local adaptations expenditure. Owing to the varying but generally increasing levels of demand, the capital funding provided by UDC for DFG's has fluctuated over recent years.

	Forecast 2013/14	2012/13	2011/12	2010/11	2009/10
Gvt Grant (including in year top up)	69,717	98,134	81,587	60,000	60,000
UDC funding	163,506	37,571	42,419	54,000	179,000
<b>Total Spend</b>	<b>275,000</b>	<b>93,928</b>	<b>124,006</b>	<b>114,000</b>	<b>239,000</b>
Original Budget	175,000	120,000	200,000	110,000	110,000
B/f grant from previous year	41,777	-	-	-	-
Allocated in year	-	-	-	-	-
Unused grant amount c/f	-	41,777	-	-	-

In October 2013 it became apparent that the council were likely to exceed the budget and a bid was made for a further £100,000 capital expenditure which was agreed. The outturn for 2013/14 is projected to be £233,233. The actual UDC contribution therefore was £122,258.

## 10. Historic DFG budget allocation

At Uttlesford the relatively low level of our DFG allocation from the Government has been a matter of concern for some time.

UDC's 2014/15 allocation is the third lowest in the country just above the Scilly Islands and the City of London both of which have very small resident populations.

The council's funding allocation for a population of 83,000 people for 2013/14 is £73,857 (less than £1 per head) which can be compared to our similar neighbouring authorities of Braintree (population 147,000) who's allocation is £331,066 (£2.25 per head) and Maldon (population 59,000) with an allocation of £190,000 (£3.22 per head).

Why this discrepancy has arisen is unclear however it is believed to relate to the historic 'honesty' of this Council by not including in its bid for DFG funding the allocation it makes for disabled facility improvements to our own housing stock. Despite many attempts to have this figure revised there has been no willingness from the Government to do so.

## 11. Next Steps

The announcement of the BCF and the proposals for a review of DFG funding has prompted officers to make contact with Clare Hardy, Head of Commissioning Vulnerable People at Essex CC and explain the council's position. Officers have asked that any proposed review of the DFG process across Essex includes a complete budgetary review of the allocations to make sure they are equitable and not just reliant on previous historical allocations. Ms Hardy has advised that she is aware that several areas within the County do not consider the allocations within the DFG to be sufficient and that many councils are also in the position of having to increasingly top the grant up from their own resources.

At present there is no national intention to revise the funding formula for DFGs so what will come into the Essex Better Care Fund will be based on existing district grants. If locally ECC was to make a decision to reconsider the allocation formula it would need to be in conjunction with all the district level authorities as inevitably there will be those who gain and those who lose.

It is essential that the council are included in any review or consultation process regarding proposed changes to DFG provision instigated by the CCG/ECC.

## Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
Gvt Grant funding is reduced	2 present advice is that funding will continue at existing level.	3 additional capital budget may be required to satisfy demand	Seek to ensure grant funding is maintained at current level and/or increased

DFGs are transferred out of LA control	2 subject to outcome of proposed review by ECC	2 loss of local control/delivery though potential savings on capital budget as current scheme is under funded	Participate in ECC review process
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1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project