

NEATH PORT TALBOT COUNCIL

CABINET

2nd October 2024

Report of the Head of Housing and Communities – Chelé Zandra Howard

Matter for Decision

Wards Affected: All Wards

Disabled Facilities Grant Options Appraisal

Purpose of the Report

To present the options appraisal report to members following the Update report of March 2024, in respect of the Disabled Facility Grant (“DFG”) service.

Executive Summary

Post pandemic, there have been a number of changes that has directly impacted on both demand for DFGs and the utilisation of DFGs for those with more complex adaptation needs.

One of the most significant changes impacting on the utilisation of DFGs is that the cost of materials and labour has increased considerably. In some cases, the cost of undertaking adaptation works far exceeds the statutory maximum DFG limit of £36k, resulting in applications being cancelled and the applicant not receiving essential adaptations.

Alongside rising costs, the removal of the means test for small and medium sized works has resulted in a notable rise in people becoming eligible for a DFG.

The available budget for DFGs is now being committed earlier in the year and long waiting lists have been building. This is anticipated to continue based on projected demand and costs.

Background

The capital budget for DFGs, as set by the Capital Programme Steering Group (“CPSG”), is £3m per annum. It has been at this level for over 10 years, £1.4m was carried over from the COVID-19 period and has now been fully spent.

Neath Port Talbot County Borough Council (“the Council”) also receives an ENABLE award of £280k from Welsh Government (WG), £90k of this is a “top up” for agreeing to remove the means test for small and medium sized grants.

The DFG budget is fully spent every year and demand far exceeds the amount of funding available, with the budget becoming committed by the end of September/October. Once the budget is committed for the year, a waiting list for the following financial year then begins to build.

Demand for adaptations funded via a DFG is rising, a notable amount of additional demand was created due to the removal of the means test for small and medium sized adaptations, which was agreed by the Council following a request from WG.

During the 2021/22 financial year, 146 applications were received for small and medium sized jobs where the applicant was not on a passporting benefit and therefore needed a means test before proceeding any further. Of these, 19 applicants cancelled before the means test was undertaken and an additional 113 applicants cancelled

after the means test, with only 14 applicants continuing to the on-site stage.

The below shows the demand for DFGs in the last three financial years:

For financial year April 22 – March 23

- 280 jobs were completed and certified on site, of these 26 were extensions.
- 254 jobs were small and medium sized works.
- Out of the 254 jobs completed, 89 would have had a means test pre 1st August 2022 and likely to have cancelled, this equated to a value of £667,500.

For Financial year April 2023- March 2024

- 293 jobs were completed and certified, of these 25 were extensions.
- 270 jobs were small and minor works.
- Out of the 270 jobs completed, 165 would have had means tests pre 1st august 2022 and likely to have cancelled, this equated to a value of £1,237,500.

Start of Financial Year 2024/25

- At the start of FY 24/25 there were 390 applicants on the waiting list.
- Previous years the average number on the waiting list at the start of the year was around 70 applicants.

This years waiting list compromised of the combination of works as stated below:

- 225 Shower conversions x average cost £7500 = £1,687,500
- 3 Extensions x average costs x £36000 = £108,000
- 162 specialist equipment jobs x average costs x £2000 = £324,000
- Total value of waiting list - £2,119,500

The works

Shower conversions - Are generally where the bath is taken out and the bathroom reconfigured and a level access shower tray, shower doors and a thermostatically controlled shower are installed, very often a Stairlifts would also be installed at the same time.

Extensions – DFG extensions can vary from a ground floor WC or shower room, to a single or double bedroom ground floor extension and the largest variation is a double bedroom with attached shower room.

Specialist equipment – These are primarily Stairlifts, but can also be vertical lifts, ceiling track hoist, and wash dry type toilets.

Applications live in the system as at 1st April:

- 128 shower conversions x 7500 = £960,000
- 22 extensions x £36,000 = £792,000
- 27 specialist equipment x £2000 = £54,000

The below table highlights the cost pressure that demand has on the available budget, resulting in the Council already being in a position of having a waiting list for 25/26:

Total value of works live in the system	£1,806,000
Total value of works in the waiting list	£2,119,500

Total combined value	£3,925,500
Available budget	£2,680,000
Committed budget of FY 25/26 at 1st April 2024	£1,245,50

Demand

Over the past few years, the waiting list going into a new financial year averages around 70 – 80 applications, as stated above the waiting list at the start of FY 24/25 was 390 applications and £1,245,50 of the 25/26 budget is already committed.

This increased demand is a combination of more people needing adaptations and the removal of the means test for small and medium sized works.

The waiting list at the start of the financial year had 3 new referrals for extensions, this is unusually low, the service would normally have between 20 and 40 extensions in the process at any time.

This low number is due to the limited budget and maximum grant amount, extensions are now in most cases costing more than the grant limit of £36,000. When an applicant contacts the Council, they are made aware of this and also made aware they will be required to pay any over and above the £36k, many are dropping out of the process at this stage. When the Occupational Therapist (OT) visits the applicant they remind them of the financial limits, again some drop out at this stage.

Due to the financial restrictions, the OT has a discussion with the applicant to come up with a compromise and an alternative to an extension, by recommending a smaller adaptation. This isn't ideal as its not fully addressing the required need for the client, this could also result in additional care needs being put in place and possibly an additional grant in the future.

Cost of Works

The cost of building materials continues to rise, albeit some prices have now plateaued, this has had a significant impact on the type of works that can be fully covered by a DFG, especially extensions, given that the maximum grant that can be awarded is £36k.

A shower extension 5 years ago cost around £15k, but is now in the region of £30k for exactly the same size and specification, a bedroom extension 5 years ago would cost around £35k but is now around £50k and a bedroom/shower room extension can cost £60k+. Shower conversions, Stairlifts and other specialist equipment have also risen in cost, all resulting in less work.

If a DFG application is not pursued or cancelled due to the cost of works, it leaves the applicant in a position of still needing these adaptations and this could have a number of different consequences, such as hospital admission from falls, delayed hospital discharge and care services refusing to continue to deliver care due to unsafe areas.

Currently the Service has no funding to pay the costs of adaptations in excess of the £36k DFG limit. This means that the applicant/landlord needs to fund the excess amount, which could be up to £30k for the larger jobs.

Due to increasing demands for adaptations and the rising costs of materials, as indicated above, the DFG budget will be committed earlier and earlier, which is going to result in people waiting years for the adaptations they need.

This brings its own consequences, as the longer someone waits the more chance their condition will deteriorate resulting in them requiring a larger adaptation from when they were first assessed. They may also need additional care services while on the waiting list or be admitted to hospital/care home bringing additional costs to the authority and health service.

Summary of Issues

Rising demand

Increased demand for adaptations plus removal of means test has resulted in many more people qualifying for a grant which has increased demand and length of waiting list.

Cost of works increasing and £36,000 limit.

Cost of works has increased significantly post COVID-19, which has had a significant effect on costs of extensions resulting in most extensions costing over £36,000.

Proposals

Mitigation of rising demand - Reintroduce the means test for small and medium sized DFG's:

- It is proposed that the Council reintroduce the means testing for small and medium sized grants, this will significantly reduce the waiting list and time.
- The removal of the means test arose from a request by WG and is not currently a legal requirement. As such, the Council has a legal ability to reintroduce the means test. It should be noted that a reintroduction may bring about opposition from WG who were keen for Local Authorities to remove the test.
- Officers are aware of at least two other Local Authorities that are also considering a reintroduction of the means test due to the increased demand they are seeing.
- If an applicant has moved from the waiting list into the formal application process then they can proceed without a means test. Those on the waiting list that haven't progressed to the formal stage will be notified that a means test will be carried out at application stage.

- An advantage of reintroducing the means test is that the funding is used where people need it the most, as those that have the means to carry out the works would have to fund it themselves.
- The waiting list system is in date order, resulting in people who have the means to do the works themselves having the work done before those that do not have the financial ability to carry out the work themselves.
- If agreed to reintroduce the means test, the service policy tools can be updated to reflect this and be submitted to cabinet for approval and a date set to implement the change.
- This proposal is likely to reduce the waiting list by approx. 150 applications.

Mitigation for cost of works - Implement an additional discretionary budget to pay for costs over and above the £36k:

- It is proposed to introduce a maximum £10,000 discretionary budget for works over £36,000.
- The average additional cost is around £10,000 per job.
- It is proposed to fund a discretionary budget using the DFG repayments received when the 10 year grant conditions are broken, currently the repayments are not recycled back into DFGs.
- Below are the total amount of DFG repayments since 2020:
 - 23/24 – 20 payments- £107,421.27
 - 22/23 – 34 payments - £150,851.46
 - 21/22 – 44 payments - £187,541.24
 - 20/21 - 41 Payments - £162,173.47

- To ensure the money is used in the most effective way it is proposed that it carries a lifetime charge that will be put on the property, ensuring that the full amount of the discretionary top up will be repaid when the house is sold. These repayments can then be recycled back into the discretionary budget.
- As RSL's do not sell their properties, a lifetime charge would not be possible for adaptations to social housing, therefore top up discretionary funding would only be available for private properties and private landlords, with RSL's being responsible to fully fund any amount over £36k.
- Cost of the works will be as accurately costed as possible prior to works starting on site, the client will be made aware of these costs and conditions and notified that they will be expected to fund all costs over the £10,000 discretionary budget.
- This will allow for small extensions to continue, offering the much needed facilities that the applicants require.

Other Options Considered but not Recommended

Priority lists – Implement a waiting list based on an applicant's priority of need:

- This would result in a waiting list based on the OT's assessment of priority. This type of system is likely to have little impact, as the majority of applicants have equal levels of need.

Extension options – Policy to not fund extensions:

- A number of Welsh Local Authorities have put in place a policy to no longer approve extensions for a DFG.
- Implementing such a policy would leave vulnerable applicants without access to a needed adaptation.

- Due to the cost of works, the demand for extensions will naturally be reduced and only a few small extensions will progress to on site. As such this proposal is unlikely to have a notable impact.
- OTs already look for alternatives to extensions and so only those that absolutely require an extension are put forward for one.

Using DFG budget to fund top up.

- An option could be to consider reducing the amount of funding set aside for DFGs and re-align this money for DFG 'top ups' based on the above principles.
- This would make the situation worse by reducing the available budget.
- Given that the repayment fund has not been allocated against an area of spend, utilising this funding rather than the money already allocated to DFG will have a more noticeable positive impact.

Summary of Recommended Proposals

As stated above, demand and waiting lists continue to substantially grow due to more people needing adaptations post COVID-19, plus the removal of the means test meaning more people now qualify for a grant. This additional demand is far higher than the available budget and a large proportion of the waiting list now consists of people who have the means to carry out the works themselves.

In order to mitigate this additional demand and use the grant funding to prioritise those most in need, it is proposed to reintroduce the means test for small and medium sized grants.

Due to the rising cost of works the £36,000 grant limit is no longer enough to fully fund extensions, although there has been less demand for extensions due to the financial limit, there are still applicants who

need a ground floor extension, in order to support this and to make them happen, it is proposed to introduce a £10,000 discretionary budget funded by the DFG repayments.

This discretionary top up will also come with a lifetime charge on the property so the authority will always have this money back to recycle into further projects.

Financial Impacts

The total amount of funding available for DFGs in 2024/25 is £3m, this has been a standstill position for a number of years.

An additional sum of £100,000 per annum is requested for the discretionary top up fund for assessed works that cost over £36,000. This funding will come from the DFG monies returned to the Council when the 10 year grant conditions are broken.

Integrated Impact Assessment

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016). The first stage impact assessment has indicated that a more in-depth assessment was required.

An overview of the Integrated Impact Assessment has been included below in summary form only and it is essential that Members read the Integrated Impact Assessment, which is attached to the report at Appendix 1, for the purposes of the meeting.

Proposal 1 – Justification

On balance, the proposal will have a positive impact on those that are most in need of a DFG and their carers, as the available resource will

be better targeted to those most in need of a DFG, resulting in more people that are identified as both physically and financially requiring a DFG in obtaining these key adaptations more quickly. Promptly accessing adaptations is essential in helping to prevent people from requiring statutory support services, reduce hospital and care home admissions and help with timely hospital discharge.

Proposal 2 – Positive Impact

Will have a positive impact on those people with a disability that require more costly works to remain living safely and independently in their homes.

Valleys Communities Impacts

The implications of demand for DFGs and the rising costs of works will be seen across the Neath Port Talbot area and not specific to Valley communities.

Workforce Impacts

No impacts.

Legal Impacts

There is a statutory requirement for the Council to have a DFG policy, however the content and scope of this policy gives a degree of discretion to Local Authorities. Given that the previous decision to remove the means test did not arise from a statutory requirement, there is no legal basis that requires the Council to maintain the current policy and the Council is therefore able to update this policy and reinstate the means test.

Given that the decision to remove the means test was influenced by a request from WG, reinstatement may lead to opposition from WG.

However, as noted above there is no legal basis to prevent the Council from implementing a means test.

Risk Management Impacts

No further impacts.

Crime and Disorder Impacts

No impacts.

Consultation

The proposal to reinstate the means test will require public consultation, as such it is proposed that Officers undertake a 6 week consultation in respect of this.

Recommendations

It is recommended that Members approve:

- Officers to undertake further work in respect of the recommendation to reinstate the means test, including undertaking a public consultation, with a final Officer recommendation and proposed policy tools brought back to Cabinet for agreement at a later date;
- The establishment of a discretionary budget that will provide an additional £10k grant for essential works that cost in excess of £36k.

Reasons for Proposed Decision

To help mitigate the impact of increasing demand for DFGs and that the available budget is utilised in a way that ensures those who are most in need are able to access adaptations in a more timely way.

Implementation of Decision

The decision is proposed for implementation after the three day call in period.

Appendices

Appendix 1: Integrated Impact Assessment

List of Background Papers

Background Paper 1: Disabled Facilities Grant Update Report
(Agenda Item 13):

<https://democracy.npt.gov.uk/ieListDocuments.aspx?CIId=494&MIId=11046>

Officer Contact

Chelé Zandra Howard, Head of Housing and Communities
email c.howard@npt.gov.uk

Robert Davies, Principal Officer Housing Renewal and Adaptation
Service. email r.i.davies@npt.gov.uk