



SCRUTINY : REGENERATION AND PUBLIC PROTECTION MEETING

4.00 PM TUESDAY, 27TH JUNE, 2023

BACKGROUND PAPERS

Please note that this supplement only contains background papers that have been provided by the responsible departments.

Anyone requiring information should contact the Democratic Services Department on (01685) 725203 or democratic@merthyr.gov.uk

3. Disabled Facility Grants (DFG)

To consider the attached report

3 - 30

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Business Case – Service Changes

Project Title	Disabled Facility Grants (DFG) - Review
Date (Insert Version Date)	9th May 2023
Lead Officer(s)	Suzanne Lewis-Abbott/Jennifer Rees
Project Manager	Chris Long
Service Area	Housing

Purpose of the Business Case

Project Background

Provide a brief description of the service including statutory obligations. In this section please refer to the Our Shared Vision, Corporate/Directorate strategies (SOAPs) and what has encouraged the development of this business case?

The Housing Grants, Construction and Regeneration Act 1996 made all housing grants discretionary, except Disabled Facilities Grants (DFGs), where mandatory entitlement was retained. It states that the obligation to provide DFGs to eligible applicants for eligible work (subject to the test of the applicant’s resources – excluding DFGs for children) is primary, absolute and remains irrespective of tenure.

The Disabled Facility Grant Service is a statutory service where £850,000 capital funding is attributed each financial year. This is the only mandatory housing grant issued by the Council, and is available for a range of works needed to help a disabled person to remain and live more independently in their home.

The process involves the Community Occupational Therapy Service (COT) working with people to assess their ability to undertake their activities of daily living and where appropriate provide adaptations so that individuals can be as independent as possible. The adaptations (Disabled Facility Grants), such as the provision of wet rooms/extensions, are referred to RCTCBC for those who are owner/occupier, privately renting or Merthyr Valleys Homes (MVH) properties.

In February 2020, MTCBC entered into an SLA agreement with RCTCBC to administer the Disability Facility Grants (DFGs) on our behalf (with a subsequent SLA between RCTCBC and Care and Repair to carry out some administrative and technical works). The SLA states that RCTCBC agrees that it shall co-ordinate and manage the provision of Merthyr’s DFG’s on a day to day basis which shall include:

- employ sufficient persons to manage the DFG’s in an effective manner;
- to be responsible for the administration of the claims process including receiving and disseminating such funding properly and auditing and making financial returns to Merthyr;
- liaise and work with Care and Repair to ensure they comply with the obligations set out in the DPA Process in a timely manner;

- to act as co-ordinator for the Board and provide requisite support services;
- to provide appropriate and compliant forms and policies; and
- to collate and maintain relevant monitoring information and to ensure all necessary data protection steps are taken in relation to use and maintenance of the same.

This has enabled the service to recover from a previous backlog of applications and ensure as applications are submitted, they are processed and where approved, works commence within the legal timeframes set to a good standard and resilience within the Grants team at RCTCBC ensure this continues to be the case.

This arrangement is monitored with multi-agency meetings including MTCBC COTs Manager, Care and Repair, RCTCBC Grants Team and MTCBC Housing on a bi-monthly basis and statistics, waiting lists, processes are reviewed and reported on.

The Community Occupational Therapy Service (COTs) consistently receives on average 15-20 referrals per week (up from 4-7 pre pandemic). All referrals are triaged on receipt and are categorised as critical, substantial, moderate, or low. In terms of the Disabled Facility Grant, the majority of these relate to the provision of adaptations to bathrooms and wet rooms.

DFGs are the main source of help for disabled people in the great majority of households in Wales who are owner occupiers or who live in private rented accommodation. This is the main way in which they get help with the most common types of adaptations, such as stair lifts, ramps and downstairs toilet and washing facilities.

A grant will only be awarded for works that are:

- *Necessary and appropriate* to meet the disabled person needs as assessed by the Council's Community Occupational Therapy (COT) Team.
- *Reasonable and practicable* depending on the age and condition of the property, as determined by the Council's authorised Grant Officers.

The Eligibility Criteria includes the following:

- All owner-occupiers or tenants who are able to satisfy the statutory criteria currently stipulated in Section 19 to 22 of the Housing Grants, Construction and Regeneration Act 1996 are eligible to apply for a Disabled Facilities Grant.
- The applicant must be able to provide the necessary 'Owner's Certificate' or 'Tenants Certificate'.
- All applicants are subject to assessment and prioritisation by the Council's Community Occupational Therapy Team, who will determine the need and level of urgency for assistance.

In 2019 in Wales 22% of the population were disabled (StatsWales, 2019), with the disabled population projected to increase significantly by 2035 (Equality and Human Rights Commission, 2018; Wales Audit Office, 2018).

There has been an increase in the number of older people living within Merthyr Tydfil and many of these have health needs that affect their ability to meet their own needs without support. There has also been an increase in the complexity of needs of the people that continue to live in the community. The majority of people that the teamwork with are adults however the team also provides assessments and support for children with disabilities.

All referrals received are triaged on receipt and are categorised as critical, substantial, moderate or low. An example of a critical referral that would require an immediate response would be where a person requires an immediate assessment for moving and handling equipment as they have deteriorated rapidly and now require equipment such as a hoist to enable care staff to assist them with personal care. An example of a referral that would be considered low would be a request for bathing aids if there is no medical reason to support the referral.

Where the assessment has identified the need for adaptations to the property the next stage would be dependent on the level of work required and tenancy arrangements. Small adaptations such as handrails are referred to Care & Repair to be completed through the Enable scheme whilst larger adaptations (Disabled Facility Grants) such as the provision of wet rooms are referred to the grants department for properties that are owner occupied, privately rented or owned by Merthyr Valleys Homes. Where the property is managed by one of the other registered landlords then these are undertaken under the Physical Adaptation Grants via Welsh Government.

Welsh Government announced that in order to reduce barriers so disabled people can maintain their independence, safety and good health, from April 2021 it would be simpler for disabled people to get help with small and medium sized adaptations to their homes as we take measures to remove the means tests from small and medium DFGs.

The pandemic, national issues in recruitment of COT staff and an inability to mobilise contractors for many works all at once, created a significant challenge in spending the grant which saw a 691k underspend in 2021/22 from that year and previous years underspends. This underspend was carried over and utilised by Merthyr Valleys Homes to work in partnership and deliver DFGs (over 5k) on their properties as well as future proofing some stock with wet rooms to futureproof some of the over-50 stock.

Despite the underspends over the past few years, there are now great successes in the assessment and delivery of DFGs, with a full complement of Community Occupational Therapy (COT) staff and resources to deliver the function in a timely manner and avoid underspends in a much-needed budget.

However, at the time of writing, we now see demand far outweighing the available grant. This could be the result of the following factors:

- The lingering effects of the pandemic have led to a widespread sense of nervousness among people. As a result, there has been a substantial surge in the demand for staff to conduct assessments. This demand represents not only a return to normalcy but also a consistent weekly increase, reflecting the increased need for these assessments.
- The rising prices of materials have led to a significant increase in the overall cost of most Disabled Facilities Grants (DFGs) compared to the pre-pandemic period. As a result, the available funds are being utilised at a faster rate, especially in the case of large grants.
- Disabled Facilities Grants are subject to a statutory test of resources prescribed by the Welsh Government. However, Council approved the removal of means testing on

small and medium adaptations in December 2021 (with all those who made contributions refunded from April 1st, 2021). This could have caused an increase in demand, which we are continuing to monitor.

- A full complement of COTs staff (following a lengthy time where we saw resource issues) which reflects positively on the number of assessments being taken and waiting times reducing for those assessments, subsequently translating to more DFGs coming through in quick succession.

In 2022/23, the original allocation of £850,000; the additional £691,000 with MV Homes, and an additional £196,000 of Housing with Care Fund totalling £1,737,000 was spent. The demand continues to rise.

The mandatory Disabled Facilities Grant cap is set at £36,000 in Wales. The Council previously agreed to offer a discretionary top up grant of up to £10,000 but this has proved more challenging as material and labour costs increase. We have reviewed the ceiling of £46,000 and on the 11th January 2023, it was agreed by Council to make changes to the Renewals Policy and

- remove the additional discretionary funding previously available for grants exceeding £36,000, and
- cap the maximum grant at £36,000 (the figure set by Welsh Government).

Progression of the change has been implemented, taking effect from February 2023. Unfortunately, additional issues have been identified regarding the delivery of major works for extensions. The rising cost of materials poses financial risks not only to clients but also to our partner agency, Care & Repair. These cost increases are often unforeseen until construction begins, placing clients at risk of bearing additional expenses. Moreover, the demand for Disabled Facilities Grants (DFGs) far exceeds the available annual budget, further exacerbating the situation.

DFG PROCESS

Please note: this process has lengthened significantly given the exacerbated demand and further compounded with demand way in excess of the £850,000 budget, resulting in strategic housing officers taking on DFG comms, complaints, contact and involvement on a day to day basis, on top of their day to day roles. These additional steps and contacts have been included for reference below.

1. A resident of Merthyr contacts the social services department of Merthyr with an expression of interest for a DFG.
2. An occupational therapist employed by Merthyr shall complete an assessment with the resident and if appropriate, will then refer the resident to the MTCBC Strategic housing team/Corporate Admin at MTCBC to log referral; when resource is available send the referral to Housing Grants team at RCT for a DFG. Upon receipt of the referral the housing grants team at RCT shall create an account on the Authority Public Protection software system ('APP').
3. RCT will pass the referral to Care and Repair.
4. Care and Repair will arrange a visit to the resident to complete an application form and to collect relevant financial information.
5. The information will be returned to the RCT housing grants team, such information to include a completed application form and supporting financial information. The

- housing grants team shall carry out a means test to determine the contribution to be provided by the applicant.
6. The housing grants team will inform Care and Repair, of the means tested financial contribution required and Care and Repair will provide this information to the applicant.
 7. A surveyor from Care and Repair will visit the property of the applicant to carry out a feasibility survey and quantify the work to be undertaken.
 8. The surveyor will prepare a schedule of works with costings, which shall be passed to the housing grants team at RCT.
 9. The legal department of RCT will prepare a certificate of title providing details of the applicant's ownership of the property. If the property is not registered at Land Registry the applicant will be required to provide a copy of their property deeds.
 10. RCT then make a formal determination to approve or refuse the DFG application. If the DFG application is refused, RCT will notify the applicant.
 11. Upon approval of a DFG RCT will refer the matter to Care and Repair. Care and Repair shall arrange for an approved contractor to undertake the works, liaise with the applicant in respect of the works and collect any means tested contribution required from the applicant.
 12. The works to be undertaken to the property shall be overseen by a surveyor from Care and Repair.
 13. The surveyor shall quantify and schedule any unforeseen work and value any interim payments required.
 14. RCT and MTCBC Strategic Housing shall determine whether any unforeseen work shall be approved and paid.
 15. Once work is complete it shall be certified by the surveyor and a completion certificate shall be issued.
 16. The completion certificate and all relevant documentation shall be sent to the housing grants team at RCT by Care and Repair. RCT shall then process the final payment of the DFG.
 17. A local land charge shall be registered against the property by RCT if the value of the DFG is over £5,000.00 for a period of 10 years.
 18. RCT will obtain feedback from the DFG process from the applicant which shall be shared with the Board
 19. If the terms of the grant are breached within a 10 year period MTCBC Strategic Housing team and RCT will use reasonable endeavours to recover any of the DFG that is to be repaid.
 20. Any money recovered by RCT shall be ring fenced and recycled into the DFG scheme for Merthyr.
 21. The DFG shall be closed.

We are now in a position of high demand, coupled with internal resource constraints within the council. The Rhondda Cynon Taf (RCT) area is also experiencing a surge in demand and increased workload due to additional referrals and managing their own grants. Consequently, these factors have placed an additional burden on MTCBC Strategic Housing, requiring them to take additional measures to effectively manage Disabled Facilities Grants (DFGs).

Due to increased demand and lack of resource of funding and staff to deliver the increased referrals MTCBC Strategic Housing are managing a list of referrals waiting for funding to be available; this involves sending new referral letters update letters and managing phone and email enquiries; complaints and advice on alternate options to waiting for the DFG.

MTCBC Housing Team are seeing an increase in complaints due to the demand and lengths of time people are needing to wait.

MTCBC Strategic Housing Team also manage decisions on disposals of properties that have had the grant within the 10 year charge period.

Working in close partnership with MVH as the impact the wait timescales have on MVH tenants is causing an increase in enquiries, complaints to them also.

Arranging joint visits between COTs; care & repair technical officers or MVH tech officers to minimise impact of the wait on those waiting for DFG; particularly those waiting on larger works so they are able to consider alternate options such as accessing relocation grants or a move via the Common housing register.

MTCBC Strategic Housing Team coordinate meetings upon day to day issues/budget updates/HCF applications/WG reporting.

Previously lots of the administrative responsibility to deliver the DFG was completed by Corporate admin team; due to the increased demand and pressures of delivering DFG as well as the Corporate admin team having their own departmental pressures this support from Corporate admin has reduced resulting in the Strategic Housing Team doing more managing the administrative tasks, comms, complaints and other associated tasks.

Staffing Arrangements

Include number of staff, job titles etc.

The Strategic Housing function manages the Council's statutory duty to provide Disabled Facilities Grants (DFGs). The service is provided under the recommendations from the Community Occupational Therapists officers (COTs). Only once a referral has been received from the COTs can the DFG be actioned and carried out.

The DFG process is the delivery link in the chain, this is the end of the process, it is the culmination of work, communication and assessment between COTs, Health Board and the individual and their family.

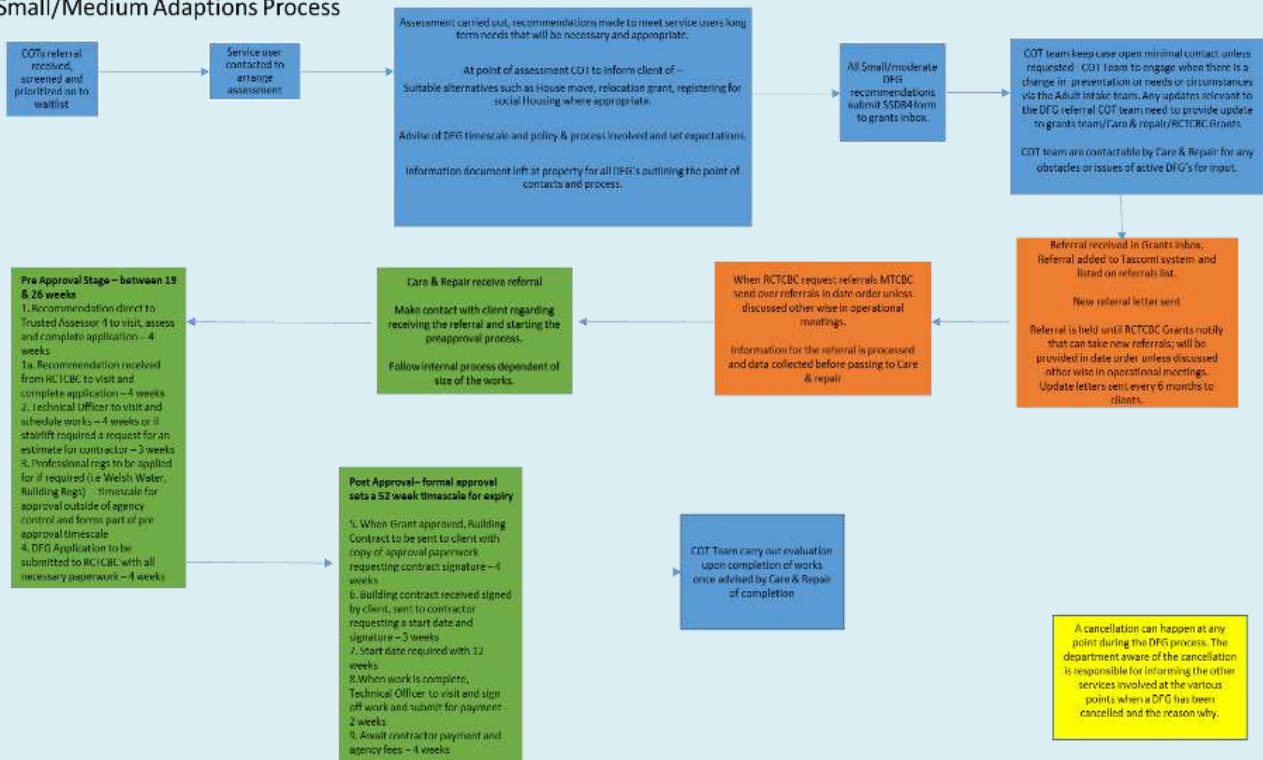
The staffing cohorts involved in the assessment and grant service is as follows:

Assessment - The staffing within the Community Occupational Therapy Team is now stable and consists of 7 staff comprised of 1 senior COT, 2 Qualified COTs and 4 COT assistants. The conversion of one of the COT posts to a senior post has provided improved clinical supervision and oversight of the team.

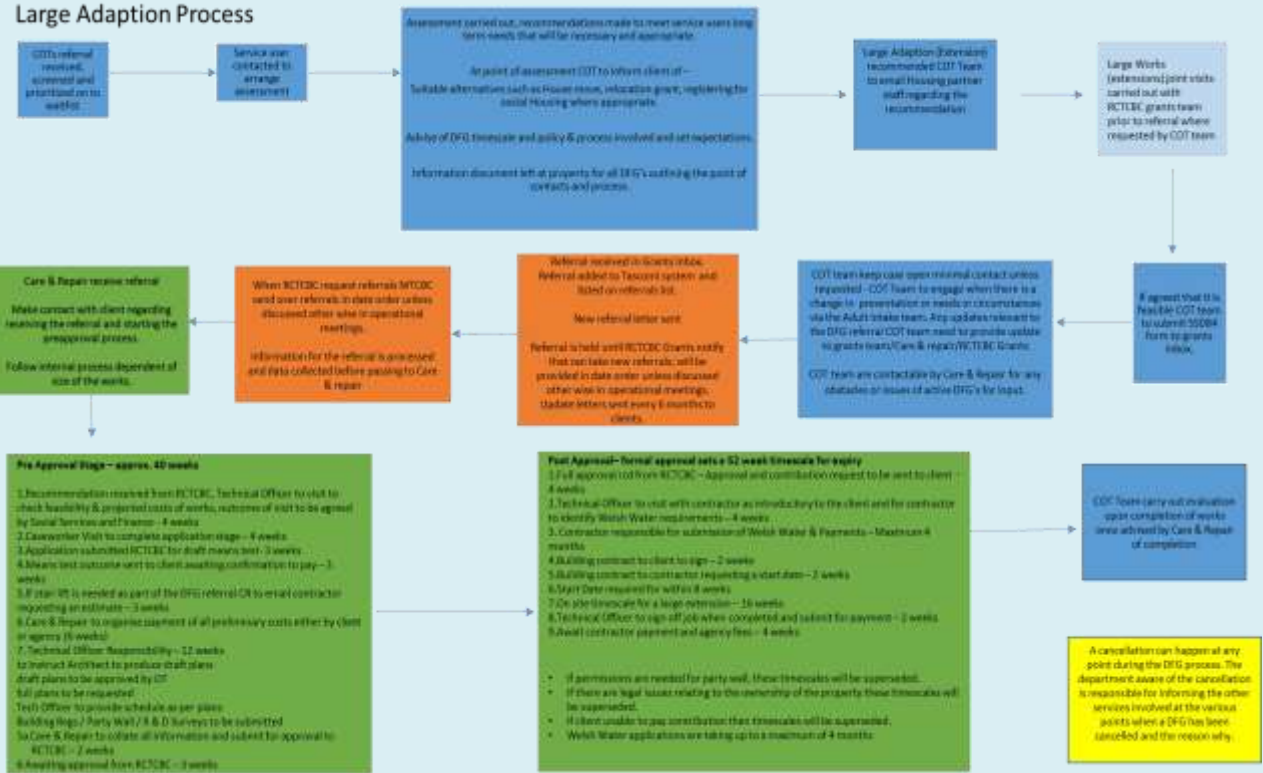
DFG service - The staff compliment within the service has diminished over the years due to retirements, funding ending and staff moving onto other opportunities. As it currently stands there are No officers dedicated to day to day delivery in Housing, this additional work and time is impacting the strategic Housing team, the Strategic housing manager oversees the budget and delivery, reporting and WG obligations.

There are 2 different process routes based on the size of the adaptations work required:

Small/Medium Adaptions Process



Large Adaption Process



Change Proposal

Provide details and justification for the proposal. In this section please refer to the Wellbeing five ways of working and consider the benefits (advantages) and consequences (disadvantages) of the change. You also need to consider here the HR, Procurement and Legal implications.

Whilst RCTCBC undertake the oversight of the grant process, the building work is co-ordinated by Cwm Taf Care & Repair. To date there has been a higher than anticipated number of requests for DFGs. Referrals have increased from 28 in 2019/20, to 27 in 2020/21, to 53 in 2021/22, and we had 79 approved & completed referrals in 2022/23. We have 55 approved referrals expected to complete 2023-24 with projected spend of £966,000 and a 9 further referrals approved to be completed into 2024-25. We currently have a holding list of referrals that can not progress to the pre-approval check stage with RCTCBC grants Team until there is available resource. Currently there are 79 new referrals on hold as of April 2023. 47 active referrals are currently with Care & Repair and 4 referrals completed this financial year.

There has also been a significant increase in the average cost of adaptations following the pandemic due to the increase in cost of materials and labour costs. Whilst this is across all adaptations this is particularly noticeable in respect of large adaptations such as extensions with the average cost rising.

In response to the rising costs and rising level of demand, it was agreed that the funding could be carried forward into 2022/23 in addition to the annual allocation of £850,000 to be spent by the end of March 2023. However, the current SLA arrangement with RCT and Cwm Taf Care & Repair provides scope to deliver works up to the total of £850,000 per year and is staffed to deliver this requirement only. Those organisations were also dealing with the after-effects of the pandemic and associated lockdowns and their impact on other budgetary underspends of other grants/works to be rolled over and delivered in the year 2022/23.

Following internal discussions with our COTs team and our largest registered Social Landlord locally Merthyr Valleys Homes (MVH), we jointly developed a proposal to utilise the spend by separating the funding into two schemes, along with additional, one year resource to Care and Repair, which not only works to clear the backlog, but allows the continuation of those substantial referrals to our most vulnerable community members to receive the appropriate support and works to enable them to live independently for as long as possible.

The proposal included the continuation of the previous years' allocation of £850k and the rollover of £691k equating to £1.54 million. The original £850,000 DFG spend to be allocated within the current Service Level Agreement Terms with RCT, a one off funded technical post to help process the backlog of DFG applications, and the remaining was utilised by recruiting a technical manager and administrator for a year within Merthyr Valleys Homes to help reduce the backlog and futureproofing existing properties, to reduce future demand for conversions/adaptions

In response to the high demand and pressure on the budget we have undertaken the following actions:

- Applied to the Housing with Care Fund (the regional Strategic Capital Fund which is the successor to the former Intermediate Care Fund) for all DFG's in excess of 36k (as per the eligibility criteria) to help with the increased costs which equates to

around 110k for 2022/23 and another 240k for this financial year to which we are awaiting a response. Outcome of this is expected imminently.

- Liaised with Cwm Taf Care and Repair who also manage and deliver on similar adaptations grant on a small scale on our behalf with the ENABLE grant, to see if there is scope to maximise that pot for smaller works, to which we are moving some works into that pot to release more funds for DFGs. Ongoing discussion to maximise ENABLE budget and reduce pressure on DFG's for smaller works.
- Cwm Taf Care and Repair have advised around the resources required to deliver the DFGs effectively which would mean around £136,000 of the £850,000 being used to staff the service appropriately, which reduces the available funds for adaptations, but is a necessity to have sufficient technical staff to carry out the required works. This is not currently possible and no ability to increase the budget due to the Local Authorities capital pressures and Care & Repair able to deliver up to the £850k requirement only with the current resource; this in turn impacts length of time people are having to wait.
- As a strategic Housing function, we are also utilising our housing need data to inform future development to reduce the needs to retrofit RSL stock for adaptations but increase the availability through our developments, these include:
 - Linc Cymru Extra Care:
 - Merthyr Valleys Homes
 - Merthyr Tydfil Housing Association

Options for change

Cwm Taf Care and Repair have indicated that they will be taking a report to Board on 6th June recommending that they will cease to deliver DFGs at the end of the existing SLA on 31st March 2025.

The current delivery is unmanageable for the Strategic Housing Team, often part of meetings and coordinating information reliant on OT and Technical information to make decisions. This could be streamlined to reduce the corporate resource involved in the process and management of DFGs.

As stated, the DFG service sits within the Housing Team, who is currently facing unprecedented pressures, increased grants to deliver more homes and types of accommodation and challenges in meeting our statutory obligations going forward.

Consideration needs to be given as to whether this is the right place for it to sit or would it be better placed elsewhere in the Council. Regardless of where the function is located, there is evidence of increasing demand and rising costs and there are resource issues to deal with these increases.

Within RCT, the housing grants team includes technical officers, grants officers and admin staff, it houses property services, experienced technical officers, equipped in making the call on the DFG being reasonable or practicable. There are no qualified technical officers within the Strategic Housing Team, so we rely on partner/LA technical staff to inform whether grants are reasonable and practicable.

Analyses of the options are set out below:

Option 1 – remain as is (although not possible over the short-medium term as partners likely to serve notice on current DFG SLA)

Strengths	Weaknesses
<p>Knowledge of staff team</p> <p>Improved processes and clarified roles and responsibilities for each service area and partner delivery organisation</p>	<p>Structure – inadequate resources and service pressures</p> <p>Taking staff away from important strategic tasks in terms of rapid rehousing, housing development and forward planning to meet the significant housing challenges faced by the Authority.</p> <p>Too much expectation on strategic housing team.</p> <p>Negative customer experience given number of parties involved in the admin and delivery often being complex for customers to navigate.</p> <p>Budget holder with no technical expertise approving DFGs.</p> <p>Heavy reliance on RCT/MTCBC Tech staff over and above the 850k requirement.</p>
Opportunities	Threats
<p>Increase resource including technical and admin support to administer service over and above the 850k and manage waiting list and customer expectations using the 15% fees associated with the works</p>	<p>Increase in demand</p> <p>Evidence of population increases</p> <p>Increase in costs</p> <p>Failing legal timeframes to deliver DFGs and subsequent legal challenges</p> <p>Poor customer journey and comms.</p> <p>Partners could serve notice and end existing SLA or no renewal of SLA, resulting in no resource to deliver MTCBC DFG's.</p>

Option 2 – move function to elsewhere in the Council

Strengths	Weaknesses
<p>Requires Technical expertise to deliver the requirement – technical management of potential works and budgetary oversight</p>	<p>Demand still outweighs supply, but further work on developing adapted stock, futureproofing</p>

<p>and monitoring to make decisions and communicate those to directly to clients.</p> <p>If managed internally, streamlined comms directly with OTs and DFG management/technical team to look at referrals, assess and communicate decisions efficiently, no middle staff or additional agencies, which can complicate clients journey and result in complaints.</p> <p>Less departments involved streamlining processes, client communications and reduces strain in corporate resource – operate more efficiently.</p>	<p>RSL stock and having dedicated staff team in house to liaise with COTS to give clients one POC.</p>
<p>Opportunities</p> <p>Utilise funding for existing team to be based within corporate property/technical teams to build resilience for the LA and for OTs to have local POC to deal with issues efficiently and prudently.</p>	<p>Threats</p> <p>Increase in demand</p> <p>Evidence of population increases</p> <p>Increase in costs</p>

<p>Option 3 – Deliver in-house as opposed to with external partners</p>	
<p>Strengths</p> <p>If situated within technical team at MTCBC - technical management of potential works and budgetary oversight and monitoring to make decisions more efficiently.</p> <p>If managed internally, streamlined comms directly with OTs and DFG management/technical team to look at referrals, assess and communicate decisions efficiently, no middle staff or additional agencies, which can complicate clients journey and result in complaints.</p> <p>Less departments involved streamlining processes, client communications and reduces strain in corporate resource – operate more efficiently.</p>	<p>Weaknesses</p> <p>Less resilience than in larger team of staff within partner agencies such as RCTCBC and Care & Repair.</p> <p>Less resource available to support the ongoing management, data capture, pressure on existing LA departments and staff</p>
<p>Opportunities</p>	<p>Threats</p>

<p>Utilise agency fees for existing team to be based within corporate property/technical teams to build resilience for the LA and for OTs to have local POC to deal with issues efficiently and prudently.</p>	<p>Continued increase in demand resulting in longer waiting list/corporate decisions on how to manage limited budget against growing demand.</p>
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The ombudsman Wales Disabled Facility Grant Fact sheet states the usual process as:

Before a formal DFG application is considered, a social services department’s occupational therapist (OT) will usually need to assess the disabled person’s needs, including whether the works are “necessary and appropriate”. The OT’s recommendations are normally put to the Housing/Technical Department who administers the DFG. The council will then have to decide whether it is “reasonable and practicable” to do the works.

There is an obvious technical gap within our team as we no longer manage stock, have technical officers or in-team administration functions.

Often Strategic Housing staff are facilitators of discussions and essentially simple holding the purse strings and carrying out all communications, administration, client contact with often very limited information. The current process is resource intensive, confusing for customers, allows for lack of ownership from various partners and a strain on the strategic housing team.

What are the timescales for implementation, including milestones per option in this business case?

The current SLA is in place until March 2025, this is currently unmanageable for the strategic housing team.

Many decisions require us to seek support from MVH/RCTCBC and MTCBC technical staff outside of their current agreements and scope.

Care and Repair have already informed that they are recommending to Board the ceasing of Merthyr DFG delivery at the end of the contract (31/03/2025).

We need to review the existing mechanism and whether we are content to continue (with tweaks) with internal resource and partner agencies or look at alternative arrangements within the SLA period.

Options: Provide information and data regarding the proposed service changes.

Option 1 – Remain as is

Option 1 description

Option 1 is essentially continuing the current delivery model both within Strategic Housing overseeing and managing the grant/service in partnership with RCTCBC (with a subsequent SLA with Cwm Taf Care and Repair).

Benefits (advantages) of this option

There are great working relationships with RCTCBC and resilience working in partnership with partner agencies to deliver on the growing demand of Disabled Facility Grants.

Consequences (disadvantages) of this option

Care and Repair have indicated they will likely cease their subsequent SLA effective March 2025, and at present RCTCBC do not have capacity to take on Merthyr and RCT grants given growing demand and wider remit of administering the Empty Homes Grants as well as other local grants and property services commitments.

Risks – Guidance at Appendix 2

Potential Risks	Transfer, Tolerate, Treat, Terminate (where required mitigating actions)	I	L	RS
Both partners likely to be unable to commit to existing model post 2025				
Staff burn out as additional work added to day to day roles				
Poor customer journey with so many staff members/agencies involved				

Potential Barriers	Transfer, Tolerate, Treat, Terminate (where required mitigating actions)	I	L	RS

Potential total saving

N/A

Rationale

<u>Accept</u>	<input type="checkbox"/>	<u>Shortlist</u>	<input type="checkbox"/>	<u>Reject</u>	<input checked="" type="checkbox"/>
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Recommendation

I do not recommend this option partners ability to continue within current model and lack of continuity and challenging circumstances in which the Housing Team currently work within.

1. Option 2 – Deliver service in another service area of the Council

Option 2 Description

The second option is relocating the DFG service for better alignment between COTs and Technical officers, removing the housing service from decision making (but not from support altogether)

Benefits of this option

If we aligned the service with dedicated technical staff, joint visits between COTs and Tech officers can determine which referrals are reasonable and practicable at an early stage and set clear expectations for clients. Decision making is far more efficient as the team will have the expertise to make decisions quickly and two way comms will improve customer experience. This will help those on the hold list, keeping people informed and avoiding long waits to be turned down after such time if work is not deemed reasonable.

Consequences of this option

This option would still see RCT and Care and Repair involved in operational delivery up to the £850k requirement, and MTCBC Tech managing the additional work outside of this with no additional funding, which is currently happening for jobs/issues/referrals over the £850k requirement in partnership with RCTCBC.

Risks – Guidance at Appendix 2

Potential Risks	Transfer, Tolerate, Treat, Terminate (where required mitigating actions)	I	L	RS
Client journey complex and multiple points of contact				
Care and Repair likely to cease SLA and RCT many not extend SLA after this period – with no in house team to pick up DFGs				
Without additional resource, could move pressure to other teams with little effect on delivery.				

Potential Barriers	Transfer, Tolerate, Treat, Terminate (where required mitigating actions)	I	L	RS

Potential total saving N/A

Rationale (Accept, Reject, Shortlist)

Accept	<input type="checkbox"/>	Shortlist	<input checked="" type="checkbox"/>	Reject	<input type="checkbox"/>
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Recommendation

2. Option 3 – Deliver DFGs in house and within technical team

Option 3 Description

The third option suggest the delivery of DFGs to revert to an in house function, but to build resilience to have this based within an area of technical expertise and staff appropriately.

Benefits of this option

This would negate the risks of partners serving notice on the SLA, putting delivery at risk. This would allow the appropriate service to manage and make decisions with full capability and information on what is reasonable and practicable to manage grant effectively. This would create a steamlined process and single point of contact for customers with internal departments having quick access to information to respond to queries/complaints. This would reduce the unnecessary strain in corporate resources and complicated processes for staff and clients.

Consequences of this option

The area the service would move to would require existing technical staff to have resilience, and be resourced appropriately to manage the technical aspects of delivering DFGs with admin support to liaise directly with and on behalf of clients. This would be dependent on another service being agreeable to this option and adequate resources to manage this.

Risks – Guidance at Appendix 2

Potential Risks	Transfer, Tolerate, Treat, Terminate (where required mitigating actions)	I	L	RS
No other service area defined/agreeable				
Inadequate resources to make it work effectively				

Potential Barriers	Transfer, Tolerate, Treat, Terminate (where required mitigating actions)	I	L	RS

Potential total saving

N/A

Rationale (Accept, Reject, Shortlist)

<u>Accept</u>	<input type="checkbox"/>	<u>Shortlist</u>	<input checked="" type="checkbox"/>	<u>Reject</u>	<input type="checkbox"/>
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Business Case Approval

Board	Reason for choice	Accepted (Yes/No)	Date
Corporate Management Team (CMT)			
Budget Board			
Change & Well-being Steering group & Board			
Procurement Board			
Service Management Team (SMT)			
Other (Please state):			

For further advice, support and guidance please see the Project Management Framework guidance notes or email your query to:

project.management@merthyr.gov.uk.

FULL COUNCIL REPORT

Date Written	15/02/2023
Report Author	Suzanne Lewis-Abbott, Jennifer Rees Chris Long
Service Area	Housing / Adult Services
Exempt/Non Exempt	Non Exempt
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To: Ladies and Gentlemen

Disabled Facility Grants (DFG) Update

1.0 SUMMARY OF THE REPORT

- 1.1 This report briefly describes the background of our Disability Facility Grants (DFG) Service and the increasing pressures on the limited available budget, with rising demands and increased costs of adaptations.
- 1.2 The report will outline the key policy changes suggested to meet the growing demands on the service in a fair and equitable way, subject to a bi-annual review.
- 1.3 The report describes the current financial impact to the grant and risks to the grant and partner agencies for extension applications being delivered as per the Service level agreements (SLA).

2.0 RECOMMENDATIONS that

- 2.1 Council approve the amendments to the renewals policy with immediate effect for any new approvals to be undertaken in line with the policy revisions.
- 2.2 Council approve no longer award DFG for extension works in order to make the grant fair and equitable to meet the increased demand of those residing in Merthyr Tydfil and work within the limited budget available.

3.0 INTRODUCTION AND BACKGROUND

- 3.1 The Disabled Facility Grant Service is a statutory service where £850,000 capital funding is attributed each financial year.
- 3.2 In February 2020, MTCBC entered into an SLA agreement with RCTCBC to administer the Disability Facility Grants (DFGs) on our behalf (with a subsequent SLA between RCTCBC and Care and Repair to carry out some administrative and technical works).
- 3.3 This has enabled the service to recover from a previous backlog of applications and ensure as applications are submitted, they are processed and where approved, works commence within the legal timeframes set to a good standard and resilience within the Grants team at RCTCBC ensure this continues to be the case.
- 3.4 The process involves the Community Occupational Therapy Service (COT) to work with people to assess their ability to undertake their activities of daily living and where appropriate provide adaptations so that individuals can be as independent as possible. These larger adaptations (Disabled Facility Grants) such as the provision of wet rooms/extensions are referred to RCTCBC for those who are owner/occupier, privately renting or Merthyr Valleys Homes (MVH) properties.
- 3.5 This arrangement is monitored with multi-agency meetings including MTCBC COTs Manager, Care and Repair, RCTCBC Grants Team and MTCBC Housing on a bi-monthly basis and statistics, waiting lists, processes are reviewed and reported on.
- 3.6 The Community Occupational Therapy Service (COTs) consistently receives on average 15-20 referrals per week (up from 4-7 pre pandemic). All referrals are triaged on receipt and are categorised as critical, substantial, moderate, or low. In terms of the Disabled Facility Grant, the majority of these relate to the provision of adaptations to bathrooms and wet rooms.
- 3.7 The pandemic, national issues in recruitment of COT staff and an inability to mobilise contractors for many works all at once, created a significant challenge in spending the grant which saw a 691k underspend in 2021/22 from the current and previous years underspends. This underspend was carried over and utilised by Merthyr valleys homes to work in partnership and deliver DFGs (over 5k) on their properties as well future proofing some stock with wet rooms to futureproof some of the over-50 stock.
- 3.8 This year in total, we are set to spend the original allocation of £850,000. The additional £691,000 with MV Homes, and an additional £196,000 of Housing with Care Fund (subject to approval – expected imminently) totalling £1,737,000 and the demand continues to rise.
- 3.9 On the 11th January 2023, it was agreed by Council to make changes to the Renewals Policy and remove the additional discretionary funding previously available for grants exceeding £36,000, to cap the maximum grant at £36,000 (a figure set by Welsh Government). Progression of the change has been implemented with immediate effect; however, there has been further identified issues with the delivery of major

works for extensions. With the financial risks to both clients and our partner agency Care & Repair with rising cost of materials, that are unforeseen until works commence on site (adding risk for clients in costs to bear) and demand far exceeding the annual budget for DFGs.

4.0 CURRENT POSITION

4.1 Despite the past few years, where we have seen significant underspends, there are now great successes in the assessment and delivery of DFGs, with a full complement of Community Occupational Therapy (COT) staff and resources to deliver the function in a timely manner and avoid underspends in a much-needed budget. However, this has gone full circle, and we now see demand far outweigh the available grant. This could be the result of the following external factors:

- created by the pandemic and people's nervousness to allow staff in to conduct assessments shortly after the pandemic now coming through at scale, not only a return to normal, but increased demand on a consistent weekly basis.
- Price increases on materials means that most DFGs cost considerably more than they did pre pandemic, allowing spend to be used up far more quickly, particularly on the large grants.
- Council approved the removal of means testing on small and medium adaptations in December 2021 (with all those who made contributions refunded from April 1st, 2021) which could have caused an increase in demand, which we are continuing to monitor.
- A full complement of COTs staff (following a lengthy time where we saw resource issues) which reflects positively on the number of assessments being taken and waiting times reducing for those assessments, subsequently translating to more DFGs coming through in quick succession.

4.2 Considering the current projections and remaining applications in the system to be processed, the budgets are likely to remain under pressure for some time or may become the status quo going forward, should the demand continue to outweigh the budgetary availability. We need to also consider our legal obligations to approve DFGs within 6 months of referral from COTs and all supporting information for the compilation of the application, and to deliver DFG's within 12 months of approval or potentially face timely and costly legal challenges. We currently have referrals going through the approval process that are likely to not have works completed until 2024-25 due to budget for 2023-24 already being allocated to referrals in preapproval stages.

4.3 Where an extension is the recommended option by COTs before works are started there are preliminary costs to complete larger works such as planning, Welsh Water, Technical surveying and additional fees to deliver the grant and management of works; a large proportion of the £36,000 grant would be already allocated/spent. Leaving the remaining cost above £36,000 being the responsibility of the client. It is also not possible to provide decisive costings to clients, making it difficult for clients to confirm that they have the financial means to afford the contribution.

- 4.4 Where a client has been able to demonstrate they can afford to contribute to works for extensions based on an estimate, there is no guarantee the works will go as planned. There are often unforeseen additional works required as part of extension works that can be costly. If this was to happen it may mean that the client has no further means to contribute anything more financially leaving the financial risk with Care & Repair or with MTCBC needing to allocate more funds to complete. A recent DFG application for an extension has amplified this problem recently with the original estimate being £50,000 to works now reaching £110,000 so far to complete from our £850,000 annual budget.
- 4.5 The current average cost of completing an extension £42,913 for works £49,350 with fees included. The average cost for small adaptations is £5,000, £5,750 including fees, average cost for medium works £10,000, £11,500 including fees. The pressure extensions have on the budget also greatly impacts wait times for those needing small/medium adaptation works. With lots of clients who require small/medium works having to potentially wait until 2024 – 25; this potentially resulting in that person's independence deteriorating further. We currently have 6 potential extensions equating to an estimated cost of £417,000 currently ring-fenced from 2023-24 budget (providing works were to be completed as planned) If these extensions did not go ahead it would mean a further 42 DFG applications for small/medium works could go ahead.
- 4.6 The only alternative option to meet the demand is to increase the DFG capital budget which would need to be around a doubling of the existing budget to meet the demand in the system, with additional revenue costs to staff the additional administration and technical works associated.

5.0 WHAT WE HAVE DONE

- 5.1 In response to the situation, we are continuing to monitor spend, demand, projections and budget, looking for innovative solutions to meet demand and help the most vulnerable in living independently, being mindful of the financial pressures the Council (and many other LAs, around price increases and varying demands and pressures on the system) are currently facing.
- 5.2 An application was submitted to the Housing with Care Fund (the regional Strategic Capital Fund) for all DFG's in excess of 36k (as per the eligibility criteria) to help with the increased costs which equated to around 110k for 2022/23. This was successfully awarded and has allowed for extensions that had started to be completed and it was further agreed to have additional funding of £86k to also progress medium works that had originally been set to be completed by MVH that had been waiting a considerable length of time due the original funding provided being spent. We could apply for further HCF funding for 2023-24 for top ups for large works such as extensions. There is no guarantee the funding would be awarded but it would also require additional monies from revenue to deliver which we have no budget for currently.
- 5.3 Regular liaison with Cwm Taf Care and Repair who also manage and deliver on similar adaptations grant on a small scale on our behalf with the ENABLE grant, to see if there is scope to maximise that pot for smaller works, to which we are moving some works into that pot to release more funds for DFGs.

- 5.4 As a strategic Housing function, we are also utilising our housing need data to inform future development to reduce the needs to retrofit RSL stock for adaptations but increase the availability through our new developments, while also reviewing the existing allocations policy to ensure adapted stock are provided to and stay with those who require those adaptations.
- 5.5 We have been monitoring the potential impact of extensions due to the additional pressures on DFG as previously stated and identified the additional concerns and issues with completing extension:
- Increasing the waiting times of those needing small/medium adaptations due to the financial impact the cost of extensions have on the budget. The impact this has on individuals of waiting extended periods of time for works.
 - The reputational cost to MTCBC, Care & Repair and RCTCBC delivering the grant due to escalating complaints for wait times, feasibility of completing works (if reasonable and practicable) and the increased project management required to complete extensions.
 - Financial risk for MTCBC and Care & Repair due to unforeseen issues with building extensions and clients not able to contribute to the final cost.
- 5.6 We have considered alternative options of being able to deliver the grant for extensions by providing the £36,000 to clients and for them to source their own contractors to complete works. This does not come without its risks; for example if the contractor didn't maintain their contractual obligations for the project; Thus, potentially placing pressure on MTCBC to have to award further funds to address and complete works. This will not help the current demand and legal timeframes to work within to complete the smaller/medium works.
- 5.7 Since the previous change to remove discretionary funds and to cap at the mandatory £36,000 all who had a referral for recommendation by COT's for an extension have been contacted and offered the opportunity to contribute to the cost of the extension. A large majority of the clients have made the decision to not proceed with the application and seek an alternate option suitable to meet their needs. Letters have been drafted to also inform clients from the very outset of their application for a DFG to set expectations of the processes and associated timescales and of the £36,000 cap so they can consider their options very early on in their application to try mitigate any future complaints.

6.0 NEXT STEPS

- 6.1 Despite the work being undertaken to futureproof existing stock, build more adapted homes, review the existing stock and policies to reflect the highest needs, the demand is far outgrowing the available budget and cannot be sustained. The cost of large grants is averaging over £49,350 including fees providing works go ahead as planned which mean less and less people can benefit from the grant and the list of those waiting continues to grow as referrals have doubled year on year:

Year	New DFG referrals
2019/20	55
2020/21	43
2021/22	76
2022/23	113
2023/24	Est forecast 168

- 6.2 In order to meet the growing demand, we need to operate fairly and equitably, in order to do this, whilst achieving the legal timeframes of the service and supporting as many people as possible we recommend ceasing the progression of any future extension works (subject to a 2 yearly review). This will allow for many more applications for smaller/medium adaptations to be carried out reducing wait times and impacts on individual clients; while also making the grant more equitable being used for many more people to remain living independently as possible in their homes and in the community. This would still allow grants up to the mandatory 36k to be approved, but anything over this would be down to the client to fund; thus also reducing the financial and reputational risk of all partner services involved.
- 6.3 We will offer the relocation grants to support people to move into homes that meet their needs while we continue to grow the adapted stock within the Borough through our development Programme and offer assistance and support to meet their needs within the budgets available.
- 6.4 Failure to do this will result in the Authority failing its obligations to deliver the grants within the legal timeframes set, which could lead to potentially costly legal challenges, unequitable support, with few large grants utilising much of the limited funds, leaving many on lengthy waiting lists and many small/medium grants being held up affecting the quality of life of many applicants waiting for relatively straightforward works.

7.0 Next Steps

- 7.1 Approval of recommendation to stop awarding DFG for extension works subject to review in 24months.
- 7.2 Liaison with stakeholders and partners to ensure the message is communicated consistently to all applicants and processed accordingly.
- 7.3 Subject to Council approval, changes will be effective immediately as part of the application process for any applications due to be processed from the 2023/24 funding allocation.

8.0 INTEGRATED IMPACT ASSESSMENT

	Positive Impacts	Negative Impacts	Neutral/Not Applicable

1. Merthyr Tydfil Well-being Objectives	3 of 4	0 of 4	1 of 4	
2. Sustainable Development Principles - How have you considered the five ways of working? <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement 	5 of 5	0 of 5	0 of 5	
3. Protected Characteristics (including Welsh Language)	4 of 10	0 of 10	6 of 10	
4. Socio-economic Disadvantage	5 of 6	0 of 6	1 of 6	
5. Consultation and Engagement	Undertaken	Due to be Undertaken	Not Required	
	1 of 1	0 of 1	0 of 1	
6. Data and Evidence to inform the proposal	Yes		No	
	1 of 1		of 1	
7. Biodiversity and the resilience of Ecosystems	Maintained	Enhanced	Reduced	Neutral/Not Applicable
	0 of 1	0 of 1	0 of 1	1 of 1
Summary				
The main positive impacts are:	The main positive impacts are we continue to provide DFGs for those which need it, subject to the maximum grant level available, and use other options such as relocation grant and option to carry out works privately with Care and repair support to access trusted trades and contractors in a fair and equitable manner. This will also enable us to meet the legal timeframes required to process the grants from approval to works commencing and completing,			
The main negative impacts are:	The main negative impacts are, for those who are not able to have extensions needing to consider a move to alternate property to meet their needs; this can be supported through relocation grants or registering for a social housing through the common housing register.			

ALYN OWEN
DEPUTY CHIEF EXECUTIVE

COUNCILLOR GERAINT THOMAS

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Scrutiny Reports: COTs Assessment waiting times and underspend in the DFG Grants	18/10/2022	Available via the background papers link
Disability Facility Grant (DFG) Grant Update	10/11/2022	Available via the background papers link
Full Council Report Renewals Policy and DFG Update January	23/01/2023	Available via the background papers link
Does the report contain any issue that may impact the Council's Constitution?		No

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.