

# WIRRAL Council

## REport for Cabinet

10<sup>th</sup> February 2015

<b>SUBJECT:</b>	<b>PROPOSED CHANGES TO THE FEES CHARGED FOR ADAPTATION DELIVERED FUNDED BY DISABLED FACILITY GRANT</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR OF REGENERATION AND ENVIRONMENT</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>NEIGHBOURHOODS, HOUSING AND ENGAGEMENT</b>
<b>KEY DECISION?</b> <i>(Defined in paragraph 13.3 of Article 13 'Decision Making' in the Council's Constitution.)</i>	YES

### 1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to seek the endorsement of Cabinet to increase the fees applied for the delivery of home adaptations funded through Disabled Facility Grant (DFG).

### 2.0 BACKGROUND

2.1 The 1996 Housing Grants, Construction and Regeneration Act requires that mandatory Disabled Facilities Grants are made available by Local Authorities in England and Wales (and the Housing Executive in Northern Ireland). This is subject to applicants being means tested (except for children & persons in receipt of certain benefits), for essential adaptations to give disabled people better freedom of movement into and around their homes and to give access to essential facilities within the home.

2.2 The Council award a Disabled Facility Grant (DFG) to fund/part fund the cost of adaptations to assist residents who are not able to fund the work themselves. The DFG is based on a 'test of resources' which determines if the applicant has to make a contribution toward the cost and how much that contribution will be. The calculation is prescribed nationally and Wirral Council does not have any discretion regarding its application. Each DFG is calculated using a range of information specific to the client including: their age, marital status, household composition, income and savings

2.3 The Authority plays a facilitating role in delivering the adaptations funded by DFG. Namely exploring adaptation need and feasibility; processing applications; calculating financial means tests; liaison with external and internal bodies as

appropriate; drafting appropriate bespoke schedules of work; ensuring delivery of agreed schemes within required time frame; inclusive of and compliant with relevant legislation, regulations, Code of Practice (COP) and manufacturer's guidance.

- 2.4 The legislation provides for the Local Authority to charge for such preliminary or ancillary services necessary to ensure the delivery of the most appropriate adaption to meet the need within the shortest timescale, to the appropriate standards.
- 2.5 Fees charged to clients who qualify for a DFG, following a means test, are met from the grant allocation. Therefore only those clients who are required to make a contribution will be affected by the proposal contained within this report. We can advise that the majority of applicants qualify for a grant.
- 2.6 Internal Audit Report dated 28<sup>th</sup> March 2013 provided a recommendation that “ A formal review and approval of the charges that are applied for the administration and project management costs of providing Disabled Facilities Grant funding should be carried out to determine if they require adjusting in line with costs and industry best practice.”

\* Priority Level: Medium

\*Organisational Impact Rating: Minor

### 3.0 CURRENT CHARGES (FEES)

- 3.1 Fees have remained unchanged for over 10 years and are charged by the Authority for delivery of adaptations funded by DFG, namely exploring adaption need and feasibility, processing applications and financial means tests, liaising with external and internal bodies as appropriate, drafting appropriate bespoke schedules of work, ensuring delivery of agreed schemes within time frames and compliance with relevant legislation, regulations, COP and manufactures guidance:
- DFG funded adaptation works costing under £10,000 @ 10%
  - DFG funded adaptation works costing over £10,000 @ 7%

### 4.0 BENCHMARKING

- 4.1 In line with the audit recommendation a DFG/Adaptations Fee charging benchmarking exercise was conducted in March 2014, with similar pier Authorities

Local Authority	Fee Level
Telford and Wrekin	15%
Anonymous (Midlands LA)	15%
North Tyneside	15%
Sheffield	10%
Trafford	15%
Sefton	12%
Cheshire East	10%

Ealing	10%
Hyndburn	15%
South Ribble	10%
Average	12.7%

4.2 The average Industry charge, as confirmed by this benchmarking exercise, is 12.7%. However for ease of accounting it would be more appropriate to round this figure down to 12.5%

4.3 Peer Authorities did not differentiate the fees charged to the value of the DFG funded adaptation.

## **5.0 RESOURCE COST CALCULATION - DELIVERY OF ADAPTATIONS**

5.1 In addition to the benchmarking exercise, a review has also been carried out to ensure that the proposed fees are based on a percentage of the value of work. The staffing resource cost of delivering adaptations was considered as part of this exercise. The proposed fee has been calculated by evaluating the amount of time, on average, each officer spends on each project. This has then been used to determine the fee for delivering the DFG and it does not exceed the actual costs incurred by Council but rather contributes to the overall cost of the service.

5.2 The review identified that the cost of officers time equated to on average 11.57% of the total cost of the work.

## **6.0 PROPOSED NEW CHARGES (FEES)**

6.1 Peer Authorities do not differentiate the fees charged to the value of the DFG funded adaptation. Therefore it is felt appropriate that Wirral adopt the same approach. Having a 2 tier charging structure (as detailed in 3.1 above) complicates the administration of the charges. The review has identified that higher value DFG cases usually utilise significantly more resources..

6.2 Both the benchmarking exercise and the review of Wirral's costs indicate that an increase in fees would be appropriate. However, in recognising that any fees charged should not exceed the actual incurred costs of service delivery, it is recommended that the Wirral adopt a fee based on the actual time spent, (being 11.57%) of the average (as identified in 5.2) instead of the Benchmarked Industry Standard average percentage of 12.7%.

6.3 It is therefore proposed to apply a charge of 11.5% for all DFG funded adaptation works costing up to maximum grant of £30,000 for facilitating the scheme.

6.4 Approval is also sought to allow charges to be reduced or waived at the discretion of the Head of Service if he/she is satisfied that their full application will lead to financial hardship or a failure to complete the work. This in turn could potentially place health & social care budgets at risk; which would usually far outweigh the value of any fee being waived. The use of such discretion would be as a last resort and it is envisaged that it would be used infrequently, so should no significantly affect fee collection levels.

## **7.0 RESOURCES**

- 7.1 This proposal will have no effect on the current staffing resource.
- 7.2 This proposal will increase the overall fee income for the service.

## **8.0 RELEVANT RISKS**

- 8.1 There are no perceived risks attached to this report.

## **9.0 OTHER OPTIONS CONSIDERED**

- 9.1 Consideration was given to charging fees for adaptation works in excess of 11.5% in line with peer Authorities however this would not reflect the average cost of officers time per adaptation and may place some vulnerable members of the community under financial pressure. This could lead to the necessary adaptations to meet the need not being provided due to additional contributions not being found by the applicant; potentially placing health & social care budgets at risk
- 9.2 Consideration was given to not raising charges. However this would go against Corporate Policy and would not reflect the contribution the fee income makes to the cost of delivering the service which has risen over the last 10 years in line with inflation.

## **10.0 CONSULTATION**

- 10.1 Consultation has been carried out with peer authorities.

## **11.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 11.0 None.

## **12.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 12.1 Financial - The introduction of the proposed approach should increase the overall fee income for the service in line the conclusion of the review and some peer Authorities. At this point amounts of any increase are unknown as they depend upon demand and type of works completed. Any increased income will enable the service to meet more demand.
- 12.2 No new IT investment is required as a result of this report
- 12.3 There are no staffing resource implications to the report.
- 12.4 There are no asset implications to this report.

## **13.0 LEGAL IMPLICATIONS**

- 13.1 There are no legal implications to this report.

## **14.0 EQUALITIES IMPLICATIONS**

14.1 The proposed changes to the charges linked to the delivery of the Adaptation service by the Authority will help those vulnerable members of the community least able help themselves through disability; through providing a policy which should guard against placing vulnerable clients at risk of avoidable financial stress through the application of discretion in relation fees attached to higher value adaptations if appropriate.

14.2 An Equality Impact Assessment has been completed can be viewed at:

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/regeneration-housing-planning>

## **15.0 CARBON REDUCTION IMPLICATIONS**

15.1 There are no carbon reduction implications to this report.

## **16.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

16.1 None.

## **17.0 RECOMMENDATION**

17.1 That Cabinet agrees and recommends to Council for approval that the fees associated with the provision of home adaptations as funded through Disabled Facility Grants, be increased to 11.5% from the 1<sup>st</sup> April 2015.

## **18.0 REASON FOR RECOMMENDATION**

18.1 The charging benchmarking exercise and review of Wirral's staffing resource costs were considered and both indicated that an increase in fees would be appropriate.

18.2 As peer Authorities did not differentiate the fees charged to the value of the DFG funded adaptation, it is felt appropriate that Wirral adopt this approach also. Having a 2 tier charging structure only complicates the administration of the charge and in reality the higher value DFG cases demand significantly more resources to deliver anyway

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## **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
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N/A	
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**Appendix 1**