

Delivery of Disabled Facilities Grants (DFGs)

Report of Councillor Ashley Yeates, Cabinet Member for Communities and Housing



Date:	26 th June 2019
Contact Officer:	Gareth Davies/Lucy Robinson
Tel Number:	01543 308741/308710
Email:	gareth.davies@lichfielddc.gov.uk lucy.robinson@lichfielddc.gov.uk
Key Decision?	NO
Local Ward Members	All, as applies to the whole of Lichfield district.

Community, Housing and Health (Overview & Scrutiny) Committee

1. Executive Summary

- 1.1 This report provides Members with an update on the delivery of Disabled Facilities Grants (DFGs), performance and expenditure of the budget in 2018/19. It has been the first year of new contract with provider Millbrook Healthcare and several issues have impacted on their performance. In total £583,453 was spent on 83 fully completed grants and a further £291,915 was committed on an additional 21 adaptations, meaning that 49% of the budget was spent and a further 25% was committed on grants.

2. Recommendations

- 2.1 That Members consider and comment on the delivery of DFGs in 2018/19, note the challenges that Millbrook have encountered during the first year of the contract and the measures that they are taking to improve performance.
- 2.2 That Members acknowledge the high demand for the service and the volume of cases in the pipeline.

3. Background

- 3.1 DFGs are used to fund major adaptations¹ to a person's home (e.g. ramps, stair/vertical lifts, level access showers) to allow a disabled person to live independently in their home e.g. allow them to get in, out and around their home and use the facilities such as the bedroom, bathroom and kitchen. The council has a statutory duty² to provide DFGs to eligible disabled households, they are subject to a means test with a maximum award available in any application of £30,000. On average, over 80% of applicants are not required to contribute towards the cost of the adaptation.
- 3.2 The council has used the services of a home improvement agency (HIA) to deliver DFGs for many years³ and since April 2018 have had an arrangement with Millbrook Healthcare, through a contract procured by Staffordshire County Council (SCC), to deliver DFGs on our behalf. As part of the county contract, Millbrook provide HIA services to six districts and boroughs⁴ in Staffordshire in the Supporting Independent Living in Staffordshire (SILIS) Partnership (the Partnership) through a

¹ Major adaptations are defined as an adaptation or equipment totalling over £1000. Minor adaptations e.g. handrails, half steps, temporary ramping, totalling less than £1000 are the responsibility of SCC.

² The Housing Grants Construction and Regeneration Act 1996 places a statutory duty on the council to provide grant assistance to eligible people to carry out necessary adaptations to their homes. Assistance is provided in the form of a DFG.

³ Metropolitan Care and Repair (formerly known as Spirita and previously Walbrook) delivered the service in Lichfield District from 2001 up to October 2014. Revival delivered the service from October 2014 to March 2018.

⁴ Covering Lichfield, Newcastle under Lyme, South Staffordshire, Stafford, Staffordshire Moorlands and Tamworth councils.

Participation Agreement. The contract runs until March 2023 with the option of two one year extensions.

3.3 In addition to the new HIA provider, in 2018/19 there have been other significant changes to the way DFGs are administered across the county:

3.3.1 Occupational Therapy (OT) services

Previously OT's from the Midlands Partnership Foundation Trust (MPFT)⁵ commissioned by SCC were required to holistically assess the disabled person to determine what, if anything, was the most appropriate adaptation for them in the long term, and if necessary provide their recommendations to the HIA. The HIA would then closely liaise with the MPFT OT during the progression of the grant to ensure that the adaptation continued to meet the needs of the disabled person. This service was decommissioned at the end of March 2018, with the responsibility for assessing all major adaptations then falling to the new provider Millbrook.

From April 2018, MPFT will only provide assessments for individuals with complex needs⁶, however this assessment is limited to only identifying that a major adaptation is required and then referring the individual to Millbrook for assessing, prescribing and designing the work required and ensuring that the completed adaptation meets their needs.

SCC had agreed that they would be commissioning a phone OT assessment or triage service called the 'Front Door', that would be live from the contract commencement in April 2018. This service would utilise fully trained OTs completing an over the phone assessment of the individual's needs, signposting them to equipment services, and if they had complex needs they would refer to an OT within MPFT. If the person was assessed over the phone as not having 2 or more eligible needs under the Care Act but they still needed an adaptation, they would be referred through to Millbrook. Unfortunately, despite regular assurances from SCC, the Front Door only became operational in mid-August 2018, which resulted in Millbrook having to deal with far more enquiries and screen far more referrals from people that did not need an adaptation than was originally anticipated.

Millbrook employ Trusted Assessors to assess individuals and prescribe work, and they have over the phone access to trained OTs to assist them in their decision making. For complex cases that require a face to face assessment, Millbrook had to commission an external OT service to complete the assessment which was added as a separate charge onto the grant. However, due to the number of complex cases that require clinical supervision, Millbrook have now agreed to recruit an OT to work in the Staffordshire office alongside the local team of Trusted Assessors.

3.3.2 Equipment

Another change as a result of the new SCC contract with MPFT, is that a DFG now has to cover the cost of any equipment needed for the safe use of the adaptation. For example if a level access shower is installed the grant will have to cover the cost of a shower chair to allow the person to use the adaptation safely. Previously this would have been ordered by an MPFT OT and charged to SCC's equipment service provider (currently Mediquip). In addition, a DFG has to cover the cost of installation of fixed equipment such as ceiling track hoists (CTHs), and as these are complex and require an OT assessment this has to be commissioned externally and charged to the grant.

3.3.3 Payment of fees

Another change is the payment of fees to the HIA for each adaptation. Under the previous contract Revival received an annual lump sum payment of approximately £280,000. In addition to this they received a fee of up to 9% that was tariffed depending on the status of the application, fixed at no more than £2,400 inc VAT per grant. In the new contract, Millbrook do not receive an annual lump sum but instead generate a fee of 16% plus VAT on the total cost of works for all approved

⁵ Prior to MPFT the contract was with SSOTP.

⁶ Individuals described as having two or more eligible needs under the Care Act 2014.

applications. There is no upper limit to the cost of the fee, meaning a maximum grant of £30,000 will include a fee of £5,000 including VAT. The fee is part of the grant awarded to an applicant.

3.3.4 Governance

The contract is monitored by a HIA Steering Group (SG) of officers from each district and a representative from SCC. The SG has met 6 weekly since contract commencement to oversee the delivery of the contract, ensure effective contract management, manage any issues that arise and confirm that key performance requirements are met. Performance information and issues arising from SG are escalated to the Strategic Project Board (SPB). This is chaired by, and includes representation from each of the district and borough Chief Executive Officers within the partnership, and representation from SCC. This was chaired in the first year by Lichfield, and from 1st April 2019 by Tamworth BC. In addition to monitoring by the SG, council officers hold regular performance monitoring meetings with Millbrook and Bromford to explore complex cases and try to resolve any issues that may lead to a delay.

3.5 Key Challenges

As one would expect in the first year of a contract, issues have arisen that have impacted on performance. In relation to the transfer of service in April 2018, there have been several issues, some of which have been highlighted already:

- The SCC Front Door not being in place to appropriately triage referrals until mid-August
- The lack of MPFT OT involvement in a case once a person has been referred
- The backlog of cases transferred from Revival at the start of the contract as we had to suspend new grant approvals towards the end of the year when our budget was fully allocated
- The backlog of referrals from MPFT sent to Millbrook in the first month
- Issues with the staff transferred under TUPE (Transfer of Undertakings (Protection of Employment) Regulations) from Revival needing training on becoming a Trusted Assessor and new processes and procedures. Retention of trained staff and turnover has also been experienced.

Ongoing performance issues have also been identified as:

- Significantly higher than expected demand for the service creating pressures in the team
- Staff training, supervision and competency issues with some staff
- Lack of OT support in complex cases
- Lack of accurate reporting functionality from Millbrook's case management system making it difficult for council officers to effectively monitor spend on DFG's and case progression.

All of these issues have affected Millbrook's performance, resulting in cases not progressing as quickly as they should and significantly increasing the amount of council officer time spent monitoring the DFG contract and expenditure.

3.6 Expenditure of the budget

The council's budget for DFGs comprises of money received from the government's Better Care Fund (BCF)⁷ and the council's capital programme; the table below shows a breakdown of the total funds available to spend on DFGs in the District in the financial year:

Source	Amount
Better Care Funding 2018/19	£905,939
Additional government funding (received January 2019)	£165,361
LDC contribution 2018/19 (from capital programme)	£22,000
LDC contribution (secured from External Grant)	£100,000
Total Available Budget	£1,193,300

(Table A – DFG budget breakdown)

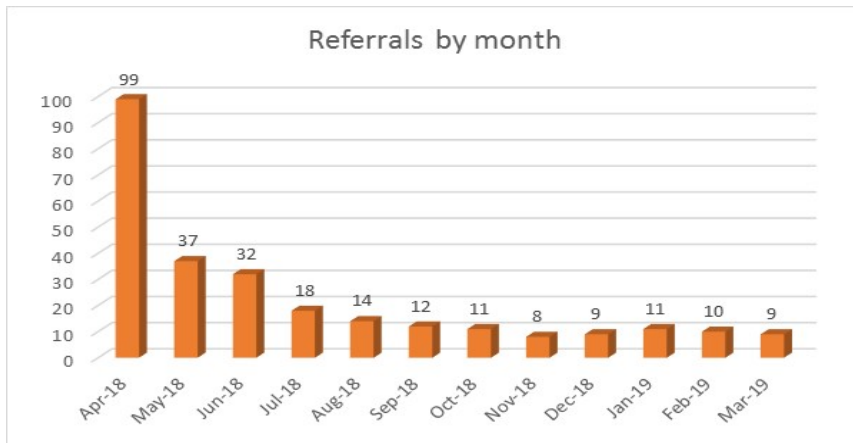
⁷ The Better Care Fund is distributed from government to the council by SCC.

In November 2018, the government announced additional DFG funding for councils who had a shortfall and could give a commitment that they had the capacity to spend it by the end of March 2019. We requested the full amount available based on the demand for adaptations within the district and assurances from Millbrook that they were able to spend or commit the additional money by the deadline. In January 2019 the council received an additional £165,361 into the DFG budget that was fully spent. Other members within the partnership that were unable to spend it also requested funding, (Stafford and Staffordshire Moorlands) and this will be apportioned to areas that had a shortfall, namely Lichfield, Tamworth and South Staffs. (Note: At time of writing this was £240,652.59 but we are waiting for confirmation of how this and details of how it will be accounted for in government returns).

Millbrook Performance

3.7 Referrals

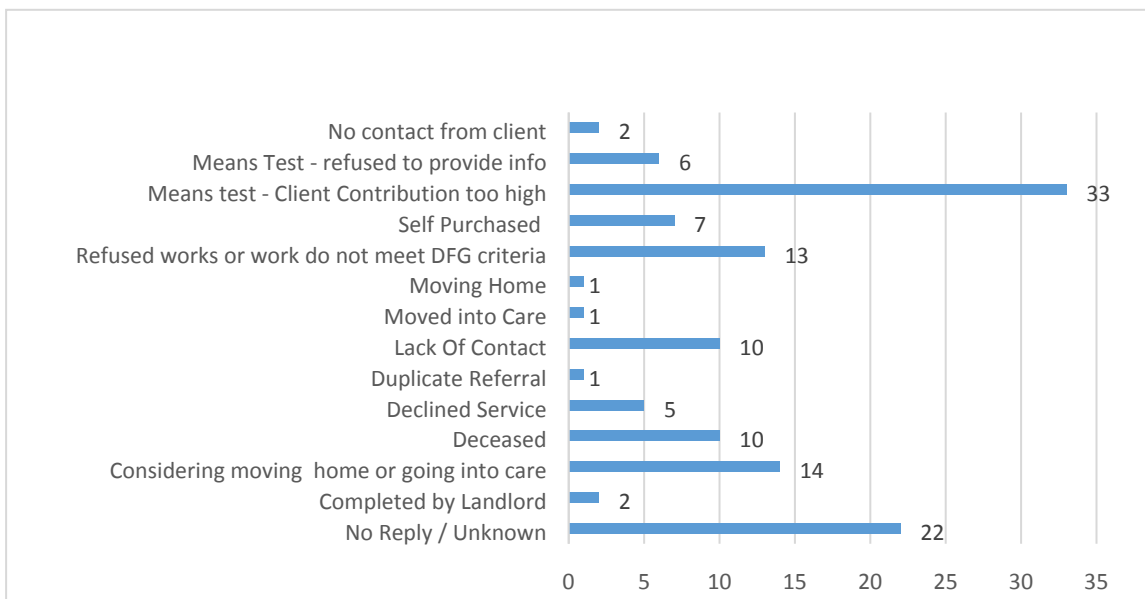
Millbrook started the financial year with 41 open cases which were transferred from Revival as the DFG budget was fully allocated in 2017/18. They received a further 58 referrals throughout the course of April 2018, a large proportion of which came from MPFT OTs undisclosed backlog. The chart below shows the number of referrals received into the service for assessment, by month, throughout the course of 2018/19 and clearly shows the impact on Millbrook of the Front Door not being operational until mid-August:



(Chart A – Number of referrals received into Millbrook Healthcare by month)

3.8 Closed Cases

In total, Millbrook received 270 referrals into their service over the financial period; 127 of which did not proceed to grant completion. The chart below identifies the reasons for closure:



(Chart B – Closure reasons)

3.9 Completions

In total 2018/19:

- 83 grants were completed totaling £583,453⁸
- A further 21 grants have been approved totaling £291,915
- This means we spent 49% of the total budget and committed a further 25%.

The below table shows a full breakdown including costings:

Status	Number of Grants / Cases	Total (£)	Percentage (%) of Budget
Spent	83	£583,453	49%
Committed	21	£291,915	25%
Estimated (pipeline works)	55	£469,055	39%
TOTAL	159	£1,344,422	113%

(Table B – DFG spent, committed and pipeline breakdown)

It is clear from the above table that anticipated demand for DFG remains high, and with an ageing population in the district we do not envisage that this will reduce. Current demand is demonstrated by the 55 cases in the pipeline with an anticipated grant value of £469,055.

3.10 KPIs

Key Performance Indicators (KPIs)

Based on the underperformance of the previous contractor Revival, several KPIs were added into the contract to measure performance and allow the partnership to claw back part of the fee if performance targets were not met. It was agreed from the outset that the penalties would not be enacted for the first 6 months to allow the partnership to develop. It was further agreed at January's SPB meeting that due to the issues outlined in section 3.5 and a lack of clarity in the reports provided by Millbrook that the partnership would suspend any KPI sanctions until April 2019.

Two of the KPI's relate to the timescale for completing straightforward and complex adaptations. We are unable to report on these at present as due to the complexities of work involved in some adaptations, the Partnership has not yet concluded discussions on the definition of each. We will be able to report on this by the next quarter.

3.11 Service improvement plan

Council officers have been closely monitoring DFG delivery all year and have held monthly cases and performance meetings as well as attending several meetings of the SG. Following concerns over performance, following the advice of the county's procurement team, on 28th March 2019 the SG issued Millbrook with a service improvement plan. Following this a resolutions meeting was held on the 4th April 2019 to go through the plan, discuss performance issues and mutually agree actions.

To improve performance Millbrook have agreed to instigate the following:

- Provide additional staff training, ensure skill gaps are identified and have mechanisms in place to effectively manage staff competencies
- Review all technical designs by a senior staff member
- Recruit an OT into Millbrook to provide clinical oversight for the Trusted Assessors into decision making for complex cases

⁸ The figure of £583,453 includes a payment to SCC of £3415 for SILIS project management costs.

- Arrange a partnership wide workshop to mutually agree on work that is necessary and appropriate in accordance with legislation and best practice for DFG progression
- Instruct an audit of cases by Foundations⁹, alongside internal investigation of specific cases by senior Millbrook staff
- Finalise Millbrook’s complaints policy
- Implement a customer board to support Millbrook in their processes and monitoring of complaints
- Introduce a new reporting mechanism to evidence Millbrook’s attempts in sourcing alternative funding outside of the DFG, e.g. charitable funding
- Millbrook to report on the work they are doing to support the self-funder market
- Millbrook to produce an annual report showing the added value DFG brings to the individual.

We will be using our existing governance structure and direct meetings with Millbrook to ensure that these actions are undertaken and performance improves in year 2. If it does not improve we will formally escalating this as outlined in the contract.

3.12 DFG Review

The government commissioned an independent national review¹⁰ of the DFG in February 2018 that reported in December 2018. The review considered among other things how funding is allocated to local authorities and the mismatch to demand in many areas such as Staffordshire. The report made 45 recommendations for how the DFG should change in the future; we are not expecting the government’s response to this review until the Social Care Green Paper is published.

Alternative Options	<p>1. The council has a statutory duty to approve DFGs, and as stated in the legislation the council must approve a valid application for DFG funding within 6 months of receipt of all the necessary documentation. The legislation also states that works must be completed within 12 months of the date of grant approval. A lack of funds cannot be a reason why a local authority does not approve a grant, however the legislation does give an authority the option to defer any grant payment for a period of 12 months after grant approval.</p> <p>2. The SILIS partnership has committed to a five year contract plus 2 years with Millbrook and the council has signed a Partnership agreement to be part of this. If performance issues do not improve, one option is to consider delivery of DFGs in-house or through another local authority. Ending the contract would be legally complex and time consuming and we would need to act in conjunction with all partners to do this.</p>
Consultation	Leadership team have been kept informed on performance and received a report on the annual progress on 5 th June 2019.
Financial Implications	1. SCC pass ported the full DFG element of the 2018/19 BCF through to the council; Lichfield’s allocation was £905,939. SCC no longer contribute towards the HIA contract.

⁹ Foundations is the National body for Home Improvement Agencies and leads on the transformation of DFG

¹⁰ The Department of Health and Social Care appointed the University of West of England to carry out an independent review of Disabled Facilities Grants (DFG) in England. The University worked with Foundations, the Building Research Establishment, Ferret Information System and an experienced Occupational Therapist to look at both the operation of the grant and the wider delivery of home adaptations to support the independence of disabled people living in their own homes.

	<p>2. In 2018/19 total expenditure on DFG's was £583,453 and 83 grants were fully completed. Another 21 grants totalling £291,915 were approved but not completed, making a total commitment for the year of £875,368.</p> <p>3. The council's BCF award for 2019/20 is £977,562. Millbrook have carefully analysed the pipeline of cases approved or in process of approval and have advised that at 20th May there were 55 cases valued at £469,055 in the pipeline. We are currently analysing these but based on a current average of 8 referrals a month it is probable that we will need to revise down our current budget set out below.</p> <p>4. The Revised Budget for 2019/20 is shown below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Details</th> <th style="width: 15%;">Approved MTFS</th> <th style="width: 15%;">Slippage</th> <th style="width: 15%;">Additional BCF Grant</th> <th style="width: 25%;">Revised Budget</th> </tr> </thead> <tbody> <tr> <td>Expenditure</td> <td style="text-align: right;">£1,104,000</td> <td style="text-align: right;">£610,000</td> <td style="text-align: right;">£72,000</td> <td style="text-align: right;">£1,786,000</td> </tr> <tr> <td>Funded by:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Better Care Fund</td> <td style="text-align: right;">(£906,000)</td> <td style="text-align: right;">(£588,000)</td> <td style="text-align: right;">(£72,000)</td> <td style="text-align: right;">(£1,566,000)</td> </tr> <tr> <td>Council Resources</td> <td style="text-align: right;">(£198,000)</td> <td style="text-align: right;">(£22,000)</td> <td style="text-align: right;">£0</td> <td style="text-align: right;">(£220,000)</td> </tr> </tbody> </table>	Details	Approved MTFS	Slippage	Additional BCF Grant	Revised Budget	Expenditure	£1,104,000	£610,000	£72,000	£1,786,000	Funded by:					Better Care Fund	(£906,000)	(£588,000)	(£72,000)	(£1,566,000)	Council Resources	(£198,000)	(£22,000)	£0	(£220,000)
Details	Approved MTFS	Slippage	Additional BCF Grant	Revised Budget																						
Expenditure	£1,104,000	£610,000	£72,000	£1,786,000																						
Funded by:																										
Better Care Fund	(£906,000)	(£588,000)	(£72,000)	(£1,566,000)																						
Council Resources	(£198,000)	(£22,000)	£0	(£220,000)																						

Contribution to the Delivery of the Strategic Plan	The Strategic Plan 2016-2020 sets out what we want to achieve in four main themes. Delivery of DFG's will contribute to the theme of 'Healthy and safe communities' where "we want local people to be active and live healthy, fulfilled lives. We want to prevent social isolation and loneliness, particularly in older members of our communities".
---	--

Equality, Diversity and Human Rights Implications	The main clients of this service are older people and people (including children) with a disability. The use of a means test directs grant funding to those residents on a low income who are otherwise unable to afford to adapt their home.
--	---

Crime & Safety Issues	Adaptations can make people feel safer in their own homes and external improvements to enable someone to safely access their home often include improved lighting.
----------------------------------	--

GDPR/Privacy Impact Assessment	GDPR provisions regarding applicants personal details are covered in the contract with Millbrook Healthcare Ltd.
---------------------------------------	--

Health & Wellbeing Implications	The provision of DFGs will significantly contribute to the health and wellbeing of disabled applicants as an adaptation to their home will improve their quality of life and reduce the risk of falls and other harm.
--	---

RISK	Risk Description	How We Manage It	Severity of Risk (RAG)
A	The health, and physical and mental well-being of eligible individuals could be potentially compromised through waiting for an adaptation to be completed.	We actively contribute to the HIA SG meetings and seek to improve performance across the process. We hold DFG cases liaison meetings at Frog Lane every month, where specific cases are discussed in order to reduce blockages and increase the throughput of grants and works. We are currently using a DFG consultant to assist in the monitoring of the contract due to staffing changes in the team.	Amber

B	Underspend in budget may result in reduced BCF allocations in future years although this has never been done by government to date.	We will continue to closely monitor the budget and ensure that the actions in the improvement plan are completed by Millbrook.	Amber
C	There is the risk to the Council that the ongoing performance and delivery issues cannot be resolved. This could result in an increase in complaints about the service and eventual reputational damage.	We will closely monitor the completion of the Improvement Plan and work directly with Millbrook and the SILIS partnership to resolve all issues. Foundations are also completing an external audit that will further highlight any areas of improvement for Millbrook.	Amber

Background documents:

Relevant web links:

[Lichfield District Housing Strategy 2013-2017](#)

Millbrook SILIS website <http://www.millbrook-healthcare.co.uk/contact-us/service-centre-locations/home-improvement-agency-services/staffordshire-ilis/>