

**COUNCIL FUNDING OF MANDATORY DISABLED FACILITIES GRANTS
(Report by the Head of Housing)**

1. PURPOSE OF REPORT

- 1.1 At their meeting on 22 April 2004, Cabinet considered the rising demand for Disabled Facilities Grants (DFGs) and the implications of the Government's decision to cap their financial contribution towards the cost of DFGs. Cabinet decided that DFGs should be dealt with as expeditiously as possible and that quarterly monitoring reports be produced.
- 1.2 This report informs Cabinet of the take up of DFGs in the first quarter of 2004/05 and projects the demand arising from cases in the pipeline for the rest of the year. A supplementary capital estimate is requested to allow applications to continue to be approved.

2. BACKGROUND INFORMATION

- 2.1 The Council must award a DFG for work to achieve one or more of a set of purposes defined by statute. DFGs are awarded on the recommendation of an Occupational Therapist (OT) and funds aids and adaptations like ramps, stair lifts and level access showers. DFGs enable elderly and disabled people to live independently and therefore contribute towards the quality of life for vulnerable people. The Council must be satisfied that a DFG is necessary and appropriate and that to carry it out is reasonable and practicable. The Council is, therefore, expected and required to set a budget that can cope with the likely level of demand placed upon it.
- 2.2 Until the end of 2003/04, the Government reimbursed 60% of total expenditure on DFGs without limitation. However, for 2004/05 they have changed the arrangements and will fund 60% of DFGs up to a limit of £332k.
- 3.1 The demand for DFGs has been increasing in recent years:

	2001/02	2002/03	2003/04
No. of DFGs completed	120	131	210
Total expenditure on DFGs	£587k	£706k	£1,010k

- 2.3 The demand for DFGs increased substantially towards the end of 2003/04 as a result of the OT team reducing their backlog. In April 2004, the OTs confirmed that their backlog was cleared and they estimated that the Council would receive approximately 20 new DFG applications every month in 2004/05.

3. IMPLICATIONS

- 3.1 Approximately 25 new referrals are being received from the Occupational Therapist team each month, 5 more than they previously estimated. The Head of the OT team confirmed that this trend is projected to continue.
- 3.2 Each DFG costs £5k on average.
- 3.3 DFGs take approximately six months from the date of the receipt of the OT referral to completion and payment so referrals received in quarter 1 are paid in quarter 3.
- 3.4 Priority is being given to this work area to minimise delays. Approximately 28 DFGs are being completed and paid each month equating to 84 per quarter.
- 3.5 Annex 1 sets out the expected total demand and cost of DFGs for 2004/05.

4. CONCLUSIONS

- 4.1 A total of 54 DFGs have been completed in the first quarter of 2004/05. These cost £304k. (lower completions because of accelerated completions (62 DFGs) in the previous quarter to maximise government grant before the year end).
- 4.2 If the assumptions set out in paragraphs 3.1 to 3.4 hold true then the Council would have to pay an extra £912k in excess of the approved budget which will have a full year revenue impact of £46k. Additional provision for future years will be dealt with as part of the MTP process.

5. RECOMMENDATION

It is recommended that Cabinet:

- a) note the report;
- b) agree a supplementary capital estimate of £492k to allow the estimated volumes to be funded through to the end of December; and
- c) accept a further monitoring report in November to include the position to the end of the second quarter.

BACKGROUND INFORMATION

- Letter from Head of Housing at Government Office for the Eastern Region dated 16 February 2004
- Cabinet report dated 22 April 2004

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Annex 1

Number of DFG cases predicted in 2004/05

	Q1	Q2	Q3	Q4
OT referrals pending	140	165	156	147
New OT referrals received	79	75	75	75
DFGs completed	54	84	84	84

Cost of DFG cases in 2004/05

	Q1 £,000	Q2 £,000	Q3 £,000	Q4 £,000
Cumulative cost of completions	304	724	1,144	1,564
Funding available	652	652	652	652
Shortfall	N/a	72	492	912

Revenue implications of funding shortfall

	Q2 £000	Q3 £000	Q4 £000
Current year	2	12	23
Full year effect	4	25	46