

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

**1. PURPOSE OF REPORT**

- 1.3 This report informs Cabinet of the take up of DFGs in the first and second quarters of 2004/05 and seeks an additional supplementary capital estimate of £222k to enable DFGs to continue to be processed and paid up to the end of the financial year.

**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.
- 2.4 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.
- 2.5 At their meeting on 2 September Cabinet considered the position following the first quarter of 2004/05 and agreed a supplementary capital estimate of £492k to allow the estimated volumes to be funded through to the end of December. This brought the budget up to £1,144k.

### **3. IMPLICATIONS**

- 3.1 The OT's backlog has increased again and at present, customers are waiting for 17 weeks for an OT assessment. Another OT is being recruited to enable the team to meet their demand. This may impact on their throughput but for the time being, the Head of the OT Team has advised the Council to expect approximately 31 new OT assessments each month.
- 3.2 In the second quarter of 2004/05, 106 new referrals have been received from the Occupational Therapist team. 69 DFGs were completed and a further 35 were cancelled (usually as a result of excessive personal contribution following the mandatory financial means test).
- 3.3 Each DFG costs £5k on average.
- 3.4 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.
- 3.5 Annex 1 sets out the expected total demand and cost of DFGs for 2004/05.
- 3.6 The previously approved supplementary capital estimate that brought the budget up to £1,144k to fund DFGs up to the end of December seems to be appropriate.
- 3.7 Current indications are that an additional supplementary capital estimate of £222k will be required to fund the DFGs in the 4th quarter. This supplementary capital estimate is being requested now to enable DFGs to continue to be processed rather than to be deferred. If approved the revenue impact would be £6k this year and £11k in subsequent years.

### **4. CONCLUSIONS**

- 4.1 A total of 123 DFGs have been completed so far in 2004/05. These have cost £641k.
- 4.2 It is projected that the Council will complete 263 DFGs in total this year at a total cost of £1,366k

### **5. RECOMMENDATION**

- 5.1 It is recommended that Cabinet:
  - a) note the report;
  - b) Agree a supplementary capital estimate of £222k to allow the estimated volumes to be funded through to the end of the financial year; and
  - c) accept a further monitoring report in January setting out the position to the end of the third 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 actual | Q2 actual | Q3 predicted | Q4 predicted |
|------------------------------|-----------|-----------|--------------|--------------|
| OT referrals in the pipeline | 140       | 143       | 145          | 138          |
| New OT referrals received    | 79        | 106       | 93           | 93           |
| DFGs completed               | 54        | 69        | 70           | 70           |
| DFGs Cancelled               | 43        | 35        | 30           | 30           |

### Cost of DFG cases in 2004/05

|   | Q1 actual<br>£,000 | Q2 actual<br>£,000 | Q3 predicted<br>£,000 | Q4 predicted<br>£,000 |
|---|--------------------|--------------------|-----------------------|-----------------------|
| Cumulative cost of completions*                             | 304                | 641                | 991                   | 1,366                 |
| Funding available:-<br>Original Budget                      | 652                | 652                | 652                   | 652                   |
| Supplementary Estimate<br>Cabinet 2 <sup>nd</sup> September |                    |                    | 492                   | 492                   |
| <b>Total</b>  | <b>652</b>         | <b>652</b>         | <b>1,144</b>          | <b>1,144</b>          |
| Estimated Shortfall   |                    |                    |                       | <b>222</b>            |

\*If 70 completions per quarter hold true

### Revenue Implications of Funding Shortfall:-

|  | 2004/05<br>£'000 | 2005/06<br>£'000 |
|--|------------------|------------------|
| Supplementary Estimate (2 <sup>nd</sup> Sept)      | 12               | 25               |
| Additional Supplementary Estimate<br>now requested | 6                | 11               |
| <b>Total</b>                                       | <b>18</b>        | <b>36</b>        |