

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

1. PURPOSE OF REPORT

- 1.1 This report informs Cabinet of the take up of DFGs and the associated spend in 2004/05.
- 1.2 This report also requests Cabinet to accept further reports in 2005/06 if the demand for DFGs exceeds the approved budget.

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. For 2004/05 they changed the arrangements and announced that they will fund 60% of DFGs up to a limit of £332k. The Government has recently announced allocations for 2005/06 and has allocated a maximum of £327k to contribute towards DFGs in Huntingdonshire. Clearly the Government's allocation does not reflect the true demand for DFGs and their financial contribution is inadequate to resource a mandatory grant scheme. The Government are currently undertaking an internal review of the DFG framework which will then be released for consultation.
- 2.3 The demand for DFGs has been increasing in recent years:

	2001/02	2002/03	2003/04	2004/05
No. of DFGs completed	120	131	210	274
Total expenditure on DFGs	£587k	£706k	£1,010k	£1,366k

- 2.4 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.
- 2.5 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.

- 2.6 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. Cabinet increased this further at their meeting on 25 November when an additional supplementary capital estimate of £222k was approved to enable DFGs to be paid up until then end of the financial year. This brought the budget up to £1,366k.

3. IMPLICATIONS

- 3.1 The waiting time for an OT assessment currently stands at 17 weeks. The Head of the OT Team has predicted that 31 OT referrals should be expected per month.
- 3.2 In the fourth quarter of 2004/05, 93 new referrals have been received from the Occupational Therapist team. 90 DFGs were completed and a further 38 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 The MTP, which Council has approved, includes provision for £868k in 2005/06 and succeeding years, to meet the future predicted demand for DFGs. Including the Government's contribution of £327k, the total gross budget for DFGs in 2005/6 will be £1,195K
- 3.5 Given that we anticipate receiving 31 OT referrals per month, and that approximately one third are cancelled as a result of the means test, we expect to approve 20 DFGs each month at a cost of £5k each. Therefore this year's budget should be adequate. The budget will be monitored and Cabinet will be informed if trends in demand increase.

4. CONCLUSIONS

- 4.1 A total of 274 DFGs have been completed in 2004/05. These have cost £1,366k.
- 4.2 The budget for DFGs in 2005/06 is £1,195k including the Government's contribution.

5. RECOMMENDATION

- 5.1 It is recommended that Cabinet:
- a) note the report;
 - b) accept further reports if the demand for DFG in 2005/06 is likely to exceed the budget.

BACKGROUND INFORMATION

- Letters from Head of Housing at Government Office for the Eastern Region dated 16 February 2004; and 5 January 2005.
- Cabinet reports dated 22 April 2004; 2 September 2004; and 25 November 2004.

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Annex 1

Number of DFG cases predicted in 2004/05

		Q1 actual	Q2 actual	Q3 actual	Q4 actual
A*	OT referrals in the pipeline	140	143	109	110
B*	New OT referrals received	79	106	100	93
C	DFGs completed	54	69	61	90
D	DFGs Cancelled	43	35	38	38

*There may be duplication of cases between A and B as in some instances cases are logged as an enquiry in the pipeline before the OT referral is actually received.

Cost of DFG cases in 2004/05

	Q1 actual £,000	Q2 actual £,000	Q3 actual £,000	Q4 actual £,000
Cumulative cost of completions	304	641	993	1,366
Funding available				
Original Budget				652
Supplementary Estimates:				
• 2 nd September				492
• 25 th November				222
Total				1,366