

Changes to the funding of Disabled Facilities Grants

1. Introduction

- 1.1 The purpose of this report is to make the Cabinet aware of changes to the way central government subsidise DFGs which are carried out in private dwellings and to discuss the possible changes to the current DFG policy.

2. Background

- 2.1 Disabled Facilities Grants are subject to a government set means test and are mandatory where disabled people require adaptations to enable them to occupy their home in a safe and reasonably independent manner. Such works may include, ramps, stairlifts, bathroom and kitchen adaptations, heating and extending the home to provide facilities all on one level.
- 2.2 Mandatory DFGs are available to private home owners and tenants, and social sector tenants. The Council budget for DFGs carried out to private dwelling is £460,000 for the current year and is made up of 40% of the Council's own capital and subsidy of 60% from the government. The budget for Council DFGs is £336,000, which is funded 100% from the Housing Revenue Account.
- 2.3 The current limit set by the government for mandatory DFGs is £25,000. However the New Forest District Council policy is to grant works over £25,000 which are deemed mandatory and for which funding is not available from any other source. The Council currently receives the 60% subsidy for the works over £25,000. As from 18 July 2003 the council will not receive the subsidy for the works that go over £25,000 so the whole amount will have to be funded from the Council's own capital.
- 2.4 The purpose of this report is for the Cabinet to assess the effect of this change on the capital budget and to consider whether to retain or amend the existing grant policy.

3. Financial Implications

- 3.1 During a typical financial year the Council would expect to carryout a total of 60 DFGs in the private sector. On average five grants would be for extensive works which would go over £25,000. On average each grant would be approved at £45,000 which is £20,000 over the £25,000 threshold. This would represent a total of £100,000 additional expenditure, £40,000 of which will come from capital and £60,000 from the government.

- 3.2 Should this continue after 18 July the Council will have contribute the additional £60,000 from the capital budget. If it is decided not to support works over the mandatory £25,000 threshold there could be a potential capital saving in the budget of approximately £40,000 for a whole year.
- 3.3 It is worth noting however that there was an underspend of £66,000 in 2002/03 for the private sector DFG budget. It is possible therefore that if demand were to remain the same in 2003/04 an underspend could cancel out the additional £60,000 that would have to be found to make up the loss of subsidy if we continue to consider grants over £25,000.

4. Service Considerations

- 4.1 The effect of limiting grants to £25,000 will be to undermine efforts to provide a holistic solution to enable the severely disabled to remain in their own home with the help of support services. Although it is difficult to quantify, it is likely that without major adaptations to the home some grant applicants could end up needing more care in hospital or care homes resulting in a greater cost to the public purse than the additional cost of the adaptation.
- 4.2 It is the opinion of New Forest District Council officers and our partners in Social Services that the quality and long term effectiveness of grants should not be compromised by limiting funds. There are concerns about the impact that limiting the grant would have on the families with the greatest problems.
- 4.3 There is however the potential to increase our spending on DFGs if the current policy is not amended. There is also the potential to reduce the budget by up to £40,000 by limiting mandatory grants to the government threshold of £25,000.
- 4.4 To be consistent across all sectors the policy for DFGs for council dwellings should reflect the policy for the private sector and any change in policy should be for both sectors and there could be a potential saving of up to £50,000 on the Housing Revenue Account if we limit works to £25,000.
- 4.5 There are therefore three options to be considered:
- | | |
|----------|---|
| Option 1 | To limit mandatory Disabled Facilities Grants funding to £25,000 and 40% of the costs where works go over £25,000 in both the private and public sector. |
| Option 2 | To limit mandatory Disabled Facilities Grant funding to £25,000 in both the private and public sector. |
| Option 3 | To continue with the current policy of supporting mandatory Disabled Facilities Grants over the £25,000 government threshold in both the private and public sector. |

5. Environmental Implications

5.1 There are no environmental implications to this paper.

6. Crime and Disorder Implications

6.1 There are no crime and disorder implications to this paper.

7. Consultation with the Portfolio Holder for Housing

7.1 Cllr Greenfield the Portfolio Holder for Housing has made the following comment regarding this paper 'As a responsible housing authority our primary role is to improve the quality of life for all the residents of the district. I accept that again the Government have put us in a position where potentially the least advantaged members of our district could suffer. I am not prepared to allow that to happen even if the Government are. I consider that the severely disabled, which in effect are those that would require the grant for facilities over £25,000 have enough to contend with their quality of life without worrying where the money will come from or finding that they are unable to afford facilities which could improve their quality of life. I support Option 3 that we continue to support the funding over £25,000. In fact I consider that we have a duty to do so'.

8. Review Panel Comments

The Housing, Health and Social Inclusion Review Panel, at their meeting on 25 June 2003, fully supported the recommendation contained in option 3 of this report.

9. Recommendations.

The Cabinet is asked to consider supporting one of the options in 4.5. It should be noted that officers would on the grounds of service delivery would encourage the adoption of option 3.

For further information

Rob Easton
Housing Improvements Manager
tel: 023 80285154
email: rob.easton@nfdc.gov.uk