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CABINET – 6 FEBRUARY 2013 **PORTFOLIO: HOUSING AND COMMUNITIES**

DISABLED FACILITY GRANTS

1 SUMMARY

1.1 This report advises of an overspend in the 2012/13 budget for private sector disabled facility grants (DFGs), advises of additional grant provided by the government for DFGs during 2012/13 and identifies how the budget may need to be funded in future years.

2 BACKGROUND

2.1 DFGs are mandatory grants provided for disabled residents in their own homes for adaptations to enable them to remain independent within their homes. Adaptations can range from the provision of showers to extensions for ground floor bedrooms and the like.

2.2 Demand for such works is increasing primarily due to the demographics of the New Forest population, i.e. there are increasing numbers of older people who, as they age, are more likely to need adaptations to remain independent in their own homes. Since 2007/08 expenditure has increased by over £100,000 on a budget of approximately £500,000 (20%).

2.3 Historically funding for DFGs has been provided by government grants of 60%, with the Council funding 40% from its own resources. These in-house resources have been provided by capital receipts from Right to Buy (RTB) sales.

2.4 In recent years the government has started to fix the amount of grant contribution and whereas previously the Council was expected to provide their own resources to match that government grant (i.e. the 40%), this is no longer the case. As government grant appeared not to link to the overall spend, the NFDC DFG budget was set at the Council's recommended spend level, thus reducing reliance on capital receipts to fund the work.

2.5 The original budget for private sector DFGs for 2012/13 was set at £550,000. The original government grant was £387,000 therefore it was expected that the Council would need to fund the difference (£163,000) from capital receipts. However, the government have just announced further grant funding and NFDC has been awarded an additional £173,000. Based upon the original budget this would give NFDC a total grant of £560,000 which would have provided more funding than thought necessary when setting the original budget.

2.6 However, as mentioned in paragraph 2.2, demand is increasing and already this year it is forecast that the original budget will be overspent by approximately £40,000.

3 PROPOSALS

3.1 The Council's Financial Regulations require any over-expenditure in excess of £25,000 to be reported to Cabinet. As mentioned above it is anticipated that, due to increased demand, the 2012/13 DFG budget will be exceeded by approximately £40,000. Cabinet are asked to authorise and agree this additional expenditure.

3.2 Future funding for DFGs needs to be examined. As mentioned in 2.3 previous government funding for DFGs was linked to the level of funding provided by the Council. This is no longer the case and the government grant now covers the majority of the need. However, as with the current year it is always likely that the Council will need to fund any shortfall. In previous years this has always been possible by funding the shortfall from Housing capital receipts (mainly RTB sales).

3.3 The position with RTB receipts has changed as a result of the HRA review and the fact that the government recently gave local authorities a choice with how RTB receipts could be dealt with. The choice was stark in that for any sales in the District the government would take the receipt back centrally to fund affordable housing on a national basis or the Council could keep the entire receipt subject only to signing an agreement to use that receipt for affordable housing in the District. NFDC have signed an agreement to use the receipts locally to provide more affordable housing.

3.4 However, the agreement mentioned above does now mean that there will be no significant new receipts that can be made available to fund DFG expenditure over and above any government funding provided or to fund Private Sector Renewal/Home Repairs Grants. By the end of 2013/14 the Council will hold c£1.3 million of capital receipts that could be used to fund such expenditure and currently budgets to utilise c £300k per annum. Therefore, while in the short term resources are available, in c 4-5 years other resources, such as from the General Fund Capital Programme Reserve, would need to be found to fund a continuing mandatory expenditure programme. Full details of the proposed Housing Capital Programme are set out elsewhere on this agenda.

4 FINANCIAL IMPLICATIONS

4.1 Financial Implications are set out in previous paragraphs within the report.

5 CRIME AND DISORDER IMPLICATIONS

5.1 There are no crime and disorder implications as a result of this report.

6 EQUALITY AND DIVERSITY IMPLICATIONS

6.1 The provision of DFGs does mean that disabled people are able to remain in their own homes and use facilities without restrictions. Without grants some people may be disadvantaged.

7 PORTFOLIO HOLDER'S COMMENTS

7.1 The provision of DFG's is essential to enable older and disabled people to remain in their own homes and yet use their facilities without difficulty. I support this excellent work and am grateful that the government continue to provide funding in this important area. I also support the investment of an adequate level of Council funding to support disabled residents.

8 RECOMMENDATION

8.1 That Cabinet approve the anticipated level of over-expenditure on the DFG budget of £40,000 for 2012/13, but note that due to the receipt of additional Government grant the overall use of capital receipts for the year will reduce from £163,000 to £30,000.

8.2 That Cabinet note the anticipated financial position relating to DFG/ Private Sector Renewal Grant financing in the medium term once existing useable capital receipts have been utilised.

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Background Papers:

Published documents