

Committee: Community and Housing

Agenda Item

Date: 9th September 2010

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Title: Disabled Facilities Grants

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Item for decision

Summary

1. This report suggests an increase in the capital budget for Disabled Facilities Grants for 2010/11 to reflect a growing demand for this mandatory grant.

Recommendations

2. That the capital programme for the financial year 2010/11 is increased from £110,000 to £200,000
3. That the Council's discretion to require by condition the repayment of grant in certain limited circumstances is not exercised.

Financial Implications

4. The recommendations do not affect the level of expenditure that the Council is expected to make. This is a mandatory, demand-led grant, and it is estimated that the Council will incur costs of £200,000 irrespective of what is budgeted for. The recommendation ensures that the underlying need of disabled people in the district is recognised in the budget. Without adjustment, an unbudgeted overspend will materialise and funding from Government will not be maximised, so that the Council would be required to contribute up to £140,000 from its own resources.
5. The recommendation, if approved, will enable officers to approach the Government and apply for a greater funding contribution. If the Government increases its contribution, the Council's contribution could reduce to around £80,000. Therefore, the recommendation could benefit the Council's capital resources by up to £60,000. This in turn will reduce dependency on borrowing to finance the capital programme in future.
6. There is inherent uncertainty about all Government funding, so no increase in contribution can be guaranteed.
7. The impact of not requiring the repayment of DFG grant in the very limited set of circumstances available is not expected to have any impact on the budget.

Background Papers

8. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

Impact

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Communication/Consultation	None
Community Safety	None
Equalities	These grants enable disabled people to remain in their own homes and communities.
Health and Safety	None
Human Rights/Legal Implications	These grants are mandatory
Sustainability	None
Ward-specific impacts	District wide (not applicable to the Council's own Stock)
Workforce/Workplace	None

Situation

10. The Council have a mandatory duty to approve Disabled Facilities Grants (DFGs) for the adaptation of residential property occupied by a disabled person (these grants are **not** used to adapt the Council's own stock for our own disabled tenants). In the majority of cases the local Home Improvement Agency assists applicants in making their applications including obtaining two competitive estimates for the costs of the work, supervising the contractor, and ensuring the quality of the work. In all cases the grant application is scrutinised and determined by UDC Officers to ensure that the costs are reasonable and practicable and with advice from the Occupational Therapist that they are necessary and appropriate. UDC Officers also carry out a final inspection of the work before final payment is authorised.
11. These grants are financed from the Council's capital programme but also attract a central government cash grant which is based in part on the Council's projected budget allocation and on other factors such as a needs element for each individual Local Authority and the total national allocation and the competing bids from other Local Authorities.

	Original Budget	Expenditure	Government Funding	UDC Capital Contribution
2010/11	£110,000	£200,000 estimated	£60,000	£140,000 estimated
2009/10	£110,000	£239,000 actual	£60,000	£179,000
2008/09	£110,000	£191,000 actual	£54,000	£137,000

12. In the two previous years it has been necessary to substantially increase the budget during the year to reflect an increase in the demand for these grants, and a legislative change in 2006 to dis-apply the means test in the case of disabled children has also resulted in substantially higher grants being awarded.

13. Government funding is allocated on the basis of estimated spend and typically is about 60% of the estimated figure. The allocation for this council is based on the originally budgeted figure of £110,000. An increase in the budgeted sum if properly notified should, all things being equal, result in an increase in the central government contribution and more accurately reflect the underlying needs of disabled people within the District. Officers have spoken to GO-East who say that in the current financial situation there is considerable uncertainty about how the DFG allocation will be calculated in the future, but if the existing methodology continues it would be correct to assume that an increase in allocation would be forthcoming.

	Budget	Estimated Spend	Government Funding	UDC budgeted capital contribution	UDC Estimated capital Contribution
2010/11 (original)	£110,000	£250,000	£60,000	£50,000	£190,000
2010/11 (revised)	£250,000	£200,000	£60,000 (worst case)	£190,000 (worst case)	£140,000 (worst case)
			£120,000 (best case)	£130,000 (best case)	£80,000 (best case)

14. Where DFGs exceed £5000 there is discretion to include a condition that requires the repayment of the grant if the property is sold within 10 years subject to a maximum repayment of £10,000. In 2009/10 there were 9 grants

awarded which exceeded £5000, 5 for children, 3 for elderly persons and 1 for an adult of working age, in 2008/09 there were 10 grants above £5000 and the corresponding figures were 4, 5 and 1.

15. The only circumstances that officers are aware of subsequent sales of homes which have been adapted with DFGs are where an elderly person has died, and have taken the view that reclaiming grant money in these and similar circumstances would be inappropriate. Officers have concluded that in practice little or no funds would be returned to the Council by including a repayment condition on all grants approved over £5000 and Members are asked to endorse this approach.

Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
That government contributions towards the cost of DFGs are not maximised	3 A significant upwards trend has emerged over recent years	3 The shortfall has to be found from the Council's capital budget	None

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

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