

# HAMPSHIRE AND ISLE OF WIGHT LOCAL GOVERNMENT ASSOCIATION

26 January 2007

## DISABLED FACILITIES GRANTS

### Report by the Director with advice from the Chief Financial Officers' Group

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#### RECOMMENDATIONS

- (1) That funding problems with Disabled Facilities Grants be referred to the Local Government Association to feed into negotiations on strategy and funding at national level; and
  - (2) That opportunities for better joint working be explored between authorities to ensure efficiency in administration locally.
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#### SUMMARY

Disabled Facilities Grants (DFGs) are mandatory and 40% funded by local authorities - District Councils in the County area. Expenditure is demand-driven: demands have risen recently creating an exceptional problem for East Hampshire and other authorities. This needs to be referred to the Local Government Association (LGA).

#### BACKGROUND

1. East Hampshire District Council asked for this matter to be discussed at Member level. The HIOW Chief Financial Officers' Group considered a report from East Hampshire which is summarised here with the Group's recommendation. The matter has been raised with Ministers by the South East Regional Assembly Executive Committee.
2. In 2004 the Government announced an inter-departmental review of DFGs involving the Office of the Deputy Prime Minister, Department of Health and the Department for Education and Skills.
3. Independent research was commissioned from Bristol University which has been published together with recommendations. At least one of the recommendations - that means-testing should be abolished for children - has been implemented. A wider consultation with local authorities and others is expected.

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4. DFGs are mandatory capital grants to fund adaptations to homes of disabled people to allow them to continue to stay there. 60% of the grant is funded as a specific Government grant through the Housing Investment Plan (HIP) process. Typically the local authority occupational therapist specifies the works needed and the housing department arranges the grant. (In a two-tier area the County Council specifies and the District Council funds). If the HIP predictions are accurate then the Government meets 60% of the cost, and 40% is met by the local authority. If the predictions are too low, the local authority can be caught having to pay 100% of the cost.

5. Grants are means-tested but in December 2005 the means-test was withdrawn for children. This led to an one-off increase in demand.

#### STRENGTHS OF DFGs

6. Bristol University's research draws attention to the strengths of a mandatory, equality-based grant backed by a ring-fenced budget. Research found that adaptations to homes through DFGs were effective and "produce significant health gains, prevent accidents and admission to residential care. Research has shown major improvements to quality of life and independence for DFG recipients. Carers suffer less stress and have reduced likelihood of back injury. The DFG is therefore contributing to a raft of policies - social inclusion, community care, hospital discharge, accident prevention, quality of life, support for carers, inclusive education and the reduction of child poverty."

#### THE PROBLEM WITH DFGs

7. Apart from the one-off increase in expenditure caused by abolishing the means-test for children there has been a general rise in demand from:

- an aging - and therefore increasingly disabled - population
- more support for staying at home/decline of other options/reductions in "bed blocking".

In addition, building costs continue to rise - putting further pressure on increasingly limited resources.

8. Another problem identified by the Bristol research has been a lack of strategic thinking at Government and local level. "Only some senior social services managers and probably even fewer NHS senior managers are engaged in policy on adaptation issues, despite its implications for them."
9. Expenditure on DFGs has been so all-consuming that authorities are now abandoning all other discretionary private sector grant support (as reported in the draft regional housing strategy - paragraph 4.4.4). Havant Borough Council reports that it has not been able to fund renovation grants. Eastleigh has stopped all discretionary DFGs and voted an additional £150,000 (on top of this year's £525,000 budget) for mandatory DFGs just to stop a queue of applicants building up.
10. A particular issue for district councils is that they are in the hands of another authority - the County Council - for works specifications.
11. There are many spending pressures on local government (adult care, concessionary fares, pension contributions etc.) outlined in the LGA's Autumn Statement, but there is little or no mention so far of DFGs.

#### ADVICE OF CHIEF FINANCIAL OFFICERS

12. The Chief Financial Officers' Group recommends:
  - (1) that the matter be referred to the LGA;
  - (2) that the County and District Councils improve the dialogue between those who carry out assessments for DFGs (in the County Council) and those who manage the budgets for DFGs (in the District Councils);

- (3) that opportunities for joint working be considered for example in relation to guidance for applicants, work specifications and approved contractors.

In view of paragraph 8 above the last two recommendations are taken together and summarised in this report so that Members allow maximum flexibility to engage County, District and Unitary authorities, the Health Service and Voluntary Sector as appropriate.

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Date: 17 January 2007  
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