

REPORT TO: CABINET MEMBER FOR HOUSING, 17 MARCH 2009

REPORT BY: ALAN CUFLEY HEAD OF COMMUNITY HOUSING

WRITTEN BY: ROY SCANLON, Housing Renewals Manager

SUBJECT: DISABLED FACILITIES GRANTS CHANGE TO TEST OF RESOURCES

1. PURPOSE OF THE REPORT

To advise the Cabinet Member on the recent changes to the test of resources and the potential financial impact.

2. RECOMMENDATIONS

That the Cabinet Member

2.1 notes the content of the report.

2.2 notes the likelihood of budget pressures being evident for 2009/10 and 10/11 onwards.

3. BACKGROUND

Mandatory Disabled Facilities Grants (DFGs) are available under the provisions set out in the Housing Grants, Construction & Regeneration Act 1996. These grants are subject to a Test of Resources (ToR) as prescribed in the Housing Renovation etc. Grants (Reduction of Grant) Regulations 1994, which was designed to assess the applicant's ability to pay for or make a contribution to the cost of the necessary adaptations. The test is similar to that used to assess council tax benefit and passports applicants, who are already on a benefit, giving them a £nil contribution.

DFGs form part of the councils Financial Assistance Policy and in 2007/08, 204 applications were approved and completed with a total value of £1.2m.

4. CURRENT SITUATION

In December 2008 the department of Communities and Local Government (CLG) issued an amendment to these Regulations. The main effect of this change was to treat working families tax credit and child tax credit as a passporting benefit.

Sample assessment, conducted since the change, indicates an increased number of applications for DFG will result in £nil contributions. The likely outcome of this is an increase in the number of successful applications due to those applicants who would not have proceeded, as a result of a high contribution, going ahead with a 100% grant. The

consequence of this will be an increase in spend on the DFG budget.

5 FINANCIAL ISSUES

DFGs are financed through the Housing Investment Programme budget, which includes a provision of £1,030,000 for 2008/09. This budget receives a support grant from the CLG, which was a ring-fenced allowance of £618,000 for 2008/09. The balance of the funding is taken from money set aside for private sector renewal.

Any additional spend on these mandatory DFGs will direct the limited resources away from private sector renewal and impact on our ability to tackle non decent homes and fuel poverty.

5. CONCLUSION

The DFGs are a mandatory grant and must be provided within the timeframes outlined in the legislation. This report highlights an increased pressure on a budget where demand has already been rising over the last few years

6. CITY SOLICITOR'S COMMENTS / EQUALITY IMPACT ASSESSMENT

The City Solicitor is satisfied that it is within the Cabinet Member's powers to approve the recommendations as set out.

As this report is within existing policy provisions an Equalities Impact assessment is not required

7. SIGNING OFF THE REPORT

Signed.....
Alan Cufley Head of Community Housing

Dated.....

8. APPROVAL TO THE RECOMMENDATIONS

The recommendations set out above were approved / approved as amended / deferred / rejected by the Cabinet Member for Housing, on.....

Signed.....

Councillor Steve Wylie
Cabinet Member - Housing