



**Corporate Policy and  
Resources Committee**

**Thursday, 10<sup>th</sup> November  
2022**

**Subject: Disabled Facilities Grants – Top up from Capital Receipts  
Reserve**

Report by:

Director of Corporate Services

Contact Officer:

Emma Foy  
Director of Corporate Services

Emma.foy@west-lindsey.gov.uk

Purpose / Summary:

To present the forecast overspend from the Disabled Facilities Grant and request additional top up funding from the Capital Receipts Reserve.

**RECOMMENDATION(S):**

1. To approve the allocation of £300,000 from the Capital Receipts Reserve to address the shortfall in Disabled Facilities Grant funding for 2022/23.
2. To request that further lobbying take place with Lincolnshire County Council to obtain further funding from the Better Care Fund this year and a larger allocation in future years due to the demographic pressures that West Lindsey faces.
3. To note that the Chief Executive will be preparing a letter for the MP Sir Edward Leigh to set out the challenges that the district faces in meeting demand for disabled adaptations

## IMPLICATIONS

### Legal:

None arising from this report.

### Financial:

**FINREF : FIN/108/23/SL**

The table below shows the 2021/22 expenditure level in the year to 30<sup>th</sup> September 2022. This table shows, 6 months into the year, the budget is already forecast to be overspend by over £200,000. Further work has been undertaken to project the spend of additional referrals already received. This projection is based on average grant spend on the referrals received to date. This does not include referrals that will be received after the 30<sup>th</sup> of September 2022.

Total Spend on 30 <sup>th</sup> September	£613,457
Total committed on 30 <sup>th</sup> September	£325,202
Total	£938,659
Budget available	£674,934
Overspend on 30 <sup>th</sup> September	£263,725
Further projected spend	£265,686
Total full year forecast deficit	£529,411
Amount that can be transferred from S106	£234,000
Amount required from reserves	£295,411

It is therefore requested that £300K is drawn down from the Capital Receipts reserve.

The remaining estimated Capital Receipts Reserve at year end after this allocation is £932,714.

### Staffing:

None arising from this report

### Equality and Diversity including Human Rights:

None arising from this report

**Data Protection Implications:**

None arising from this report

**Climate Related Risks and Opportunities:**

The Council's Climate, Environment and Sustainability Impact Assessment has been undertaken and there are no climate related implications, risks or opportunities arising from this report.

**Section 17 Crime and Disorder Considerations:**

None arising from this report

**Health Implications:**

Detailed within the body of the report.

**Title and Location of any Background Papers used in the preparation of this report:**

N/A

**Risk Assessment:**

N/A

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules applying?**

i.e., is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

☐

No

X

**Key Decision:**

A matter which affects two or more wards, or has significant financial implications

Yes

☐

No

X

- 1.1 The purpose of this report is to request an allocation from our Capital Receipts reserve to support the ongoing delivery of adaptations under the Disabled Facilities Grant scheme until additional funding is received at the 1<sup>st</sup> April 2023.
- 1.2 The award and assessment of Disabled Facilities Grants (DFG) is a statutory function that district Councils have under the Housing Grants, Construction and Regeneration Act 1996. The purpose of the funding is to enable disabled people of all ages to live in a suitable home where they can sustain their independence and maintain connections in their community.
- 1.3 Government's ambition is to give more people the choice to live independently and healthily in their on homes for longer, with fewer people staying in hospital unnecessarily or moving to residential care prematurely when that is not what they want. There is no doubt that Disabled Facilities Grants reduce pressure on both the NHS and County Councils who are required to fund residential care and provide hospital treatment.
- 1.4 The funding for DFG is received via the Better Care Fund, held and managed by Lincolnshire County Council, but the allocation for funding is determined by central government using a formula which alongside being outdated does not consider whether a Local Authority has its own housing stock or Housing Revenue Account (HRA). Where a Local Authority has an HRA, adaptations required to keep people living safely in their home can be funded from the Housing Revenue Account. This means that West Lindsey only has one funding source to provide Disabled Facilities Grants. In 2022/23 West Lindsey District Council received £794,000 from the Better Care Fund.
- 1.5 A large proportion of residents in West Lindsey reside in properties provided by Registered Provider such as Acis. These residents in most cases do not have the funds in place to pay for their own adaptations and because they do not own their property a charge cannot be placed on the property to recover the disabled facility grant when the property has been sold. To put this into context in 2021/22, 61% of all adaptations carried out by West Lindsey were in RP properties with almost all those being Acis properties
- 1.6 Whilst funding from the Better Care Fund has increased over the past few years no increase was received for this year. Previous year underspends are always carried forward and in 2021/22 there was a carry forward of just £8,000 into this year's budget.
- 1.7 The practical administration and assessment requirements are detailed and 15% of the yearly allocation is assigned for administration of the grants as per the guidelines which leaves a budget for this financial year of £682,900.

- 1.8 The table below shows the 2021/22 expenditure level in the year to 30<sup>th</sup> September 2022. This table shows, 6 months into the year, the budget is already forecast to be overspend by over £200,000. Further work has been undertaken to project the spend of additional referrals already received. This projection is based on average grant spend on the referrals received to date. This does not include referrals that will be received after the 30<sup>th</sup> of September 2022.

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- 1.8 A deficit was predicted early in the year and highlighted through the risk management process which led to actions already being taken to mitigate the financial risk to West Lindsey. £234,000 from S106 funding has been allocated to off-set some of the larger grants in RP properties and has been agreed through Housing board, however this can only be off-set against certain spend which up to this point is around £60,000. As this risk was highlighted early in the year, no discretionary grants have been approved and it was published in April that no discretionary grant applications could be accepted at this time due to budget pressures.
- 1.9 There are several contributing factors to this additional pressure on the budget which include the following:
- Increase in labour costs for contractors
  - Increased demand and therefore shortage in supply of contractors which has impacted price
  - Shortage and significant increase in material costs
  - Improved ways of working after T24 review, speeding up adaptations and creating a bottleneck of approvals meaning more are approved quicker (this has been built into the above projection of spend for the rest of the year.)
  - Increase in the complexities of people's requirements, both adults and children
  - Backlog in Occupational Therapy (OT) referrals meaning people are deteriorating while waiting for assessments and so not preventing further issues
  - Increase in number of referrals from OTs
  - Lack of availability for suitable alternative accommodation and so people staying in their properties and requiring adaptations

- 1.9 Many of the above factors are legacy issues that have come from the Covid-19 pandemic which we expected to see reduce by this point but with no clear sign of change on the horizon, if anything, costs of the adaptations are still rising rapidly.
- 1.10 The main contributing factor to the increase in spend is the cost to deliver the adaptations themselves. The below table shows the increase in grant average per adaptation over the past 4 years.

	2018/19	2019/20	2020/21	2021/22	Increase	% Increase
<b>Level Access Shower (LAS)</b>	£5,050	£5,100	£5,250	£5,755	£705	14%
<b>Ramp</b>	£4,800	£4,600	£5,350	£5,850	£1,050	21%
<b>Level Threshold door (LAT)</b>		£1,335	£1,550	£1,735	£400	29%
<b>Straight Stair lift</b>	£1,995	£2,080	£2,000	£2,580	£585	29%
<b>Curved Stair lift</b>	£4,400	£4,950	£5,300	£5,280	£880	20%
<b>Through Floor Lift</b>	£11,985	No installs	£11,685	£13,513	£1,555	13%
<b>Wash/ Dry toilet</b>	£4,600	£4,180	£4,500	£6,380	£1,780	39%
<b>Kitchen</b>	No installs	£7,050	£8,000	£10,695	£3,645	52%

- 1.11 Under the legislation, as detailed above, lack of funding cannot be a reason for refusal of a mandatory grant, however, the legislation allows a 6-month hold to be placed on applications meaning from 1<sup>st</sup> October, any application that is “complete” can be held on to until 1<sup>st</sup> April for financial approval. This would mean that no additional work is undertaken within this financial year and the deficit for spend does not increase to the projected amount.
- 1.12 This method would increase wait times for adaptations that the team and partners have worked hard over the past year to improve and would also only delay the issue of lack of funding into the next financial year rather than solve the issue.
- 1.13 In the year to date over 40% of all adaptation completed have been done under the targeted timeframe of 120 days from application for a DFG being complete to adaptation being completed. The average number of days has also steadily been decreasing as we are seeing the new ways of working reflected in the services being delivered. The P&D action plan devised to improve the DFG measures would not be able to be implemented should adaptations be put on hold until funding is available in the next financial year
- 1.14 There has been additional funding allocated to DFGs around December in previous years, this has always been a minimal amount and in 2021/22 this funding was not made available which means at this point, it cannot be relied upon.

- 1.15 WLDC have begun discussions with LCC to understand if there is any additional funding available for DFGs this financial year. Initial conversations have suggested that other local authorities are utilising earmarked DFG reserves consisting of prior year underspends, however West Lindsey has not been able to bank prior year underspends in the same way as other authorities.
- 1.16 Officers at the Council wish to seek endorsement of this committee to further lobby Lincolnshire County Council, work with the Local Government Association and to discuss the matter further with Sir Edward Leigh MP with a view to achieving a fairer funding allocation in future years which takes accounts of the lack of stock holding and demographics of the district.
- 1.17 As lack of funding cannot be used to stop delivery of grants, Officers also seek for Member Approval of £300,000 allocation of the Capital Receipts Reserve into the Disabled Facilities Grants budget to enable ongoing delivery of adaptations. Any funding not utilised will be returned to the Capital Receipts reserve at the end of the year.
- 1.18 The current Housing Assistance policy that details discretionary grants that would be available should funding be available is due to expire at the end of December 2022. Officers will be bringing a simplified Housing Assistance Policy to Members in the new year which will detail West Lindsey approach to delivering Mandatory DFGs.