

Corporate Scrutiny Committee

24th August 2021

Disabled Facilities Grant Funding

Purpose of Report

This report has been provided in response to a question raised by Corporate Scrutiny Committee in relation to the current Disabled Facilities Grant funding allocation received by Tamworth Borough Council.

The question arising is: -

- Disabled Facilities Grants (DFG). The Committee questioned how the Tamworth DFG grant from Government was calculated. It was noted that the funds were passported via Staffordshire County Council and amounted to £546,000 which was less than half of that received by other District Councils in Staffordshire. It was reported that the allocation was based on an outdated historic allocation formula and that significant representations had been made by not only the Council but also by National bodies representing District Councils (District Council Network, Local Government Associations etc.) as well as representation to the MP. Members asked for a report setting out the position for consideration at the August meeting of the Committee (including details of representations made to date and any further information available on the basis of the historic allocation) – to inform their considerations in developing proposals for Cabinet.

This report so far as possible sets out to respond this question

Disabled Facilities Grant Funding Allocation

It is not entirely clear how our current level of funding was arrived at however from what I can establish the funding mechanisms were reviewed in 2010/11 and a new percentage formula arrived at.

It would appear that the previous funding was derived from a mixture of funding formulae [DFGi formula] and bidding for funds [60:40 match funding]. Unfortunately, our funding allocation seems to have been negatively impacted by the fact that our funding bid in 2010 was lower than the [DFGi] formula allocation and that future allocations were based on this bid. I am not sure if the bid was low because it was felt that there was limited demand or if our bid was based on our ability to match fund [60:40].

The formulae element used data from the English House Condition Survey and DWP data relating to numbers in receipt of certain disability related benefits. There is also an adjustment made for Councils with a retained housing stock as disabled adaptations to these properties are funded through the Housing Revenue Account. The actual allocations also had some 'smoothing' applied to them so that there wouldn't be large variations from year to year.

In 2009 BRE produced a revised funding structure that looked at the following factors: -

- Number of claimants on disability related benefits
- Proportion of population aged 60 or over

- Proportion of people on means tested benefits
- Proportion of the stock not owned by the Local Authority

It would appear that the funding model hasn't changed since 2010 and there seems to be the persistent view that the allocation model isn't particularly transparent.

Based on the tables in the 2011 BRE report it looks as though funding in Tamworth increased marginally but this would not have had any significant impact.

There was supposed to be a wider review of DFG funding in 2018 but this didn't come to fruition, and it is not known when or if this review will take place.

Tamworth currently has the smallest allocation in Staffordshire and is one of only two Authorities in Staffordshire with a retained housing stock. Based on discussions with other districts it is apparent that their former Council Housing properties take up a significant proportion of their allocations which suggests that this adjustment in the funding formula is not without basis.

I am aware that representations have been made to the MP in the past although I haven't been privy to all the communications that have taken place.

Cllr. D Cook contacted Christopher Pincher MP in November of 2011 to highlight the issue of the allocation and the fact that Tamworth Borough Council was having to use its own capital funding to prop up the adaptations programme. Andrew Barratt and Cllr. D Cook met with Christopher Pincher MP approx. 2 years ago and again made representations around the apparent disparity in allocations across Staffordshire. I believe that Tony Goodwin may have also made representations during his time as Chief Executive.

In recent years the Government has made a number of additional annual top-up payments which have been allocated/distributed using the same formula as the main allocation; these tend to come during the course of the financial year and cannot be relied upon to be forthcoming every year.

It is not clear how the 2018 review would have affected the allocation of funds, if at all and it is not clear when or if this review will be considered again.

We could continue to make representations to Government on this matter, however without additional funding to the overall DFG budget any increase in Tamworth is likely to result in a reduction elsewhere which is likely to be challenged by those losing out. It would appear that there is a formula in place to arrive at the allocation but that this formula does not reflect the actual situation in Tamworth. We are able to demonstrate our actual demand through the past works completed and the current pipeline of works and the fact that demand has remained constant for a number of years; we can also demonstrate that the Government funding is inadequate as we have consistently had to top up the DFG allocation with our capital funding.

Options for Scrutiny Committee to Consider

Make further representations to the MP and MHCLG setting out concerns over the overall budget allocation and the seemingly unfair formula used to arrive at the local allocation; representation could include evidence of the actual demands in Tamworth and the impacts of not adequately funding.

Seek clarity from MHCLG on the timing of any future review of DFG and what that review may include; we would want to know if the overall budget allocation is likely to be increased

and whether there will be a review of the formula used to determine the local allocations from the overall fund.

It would appear from the information available that the current local allocation takes account of the fact that Tamworth has a retained housing stock, we can evidence the amounts spent through our HRA budgets on this, however if we were to add that to the DFG allocation it would push our budget closer to those of some of the other Authorities in Staffordshire which may actually support the funding formula.

If the budget allocation remains largely as it is at present and assuming demand remains constant it is likely that there will be an ongoing need for the Council to use some of its own capital to support the delivery of Disabled Facilities Grants which is unlikely to be sustainable in the long term.

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