

## Housing and Planning Scrutiny Select Committee

19 May 2026

### Part 1 - Public

#### Matters for Information



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| Cabinet Member      | Cllr Robin Betts, Cabinet Member for Housing, Environment and Economy |
| Responsible Officer | Eleanor Hoyle, Director of Planning, Housing and Regulatory Services  |
| Report Author       | Jason O'Brien, Housing Improvement Manager                            |

#### Disabled Facilities Grant Funding Reform

##### 1 Summary and Purpose of Report

- 1.1 This report provides a summary of recent changes to the Disabled Facilities Grant (DFG) funding methodology, the background to the consultation and review, Tonbridge & Malling Borough Council's (TMBC) formula parameters, funding outlook for the next three financial years, and the implications for services currently supported using DFG funding.

##### 2 Corporate Strategy Priority Area

- 2.1 Improving housing options for local people whilst protecting our outdoor areas of importance.
- 2.2 DFGs are mandatory grants to help residents carry out adaptations that meet their needs thus enabling them to remain independent in their own home.

##### 3 Introduction and Background

- 3.1 The Better Care Fund (BCF) provided by Government to local authorities supports local systems to successfully deliver the integration of health and social care in a way that supports person-centred care, sustainability and better outcomes for people and carers.
- 3.2 The DFG element (paid through the BCF) is a statutory, ring-fenced capital grant provided by central Government to local housing authorities in England.
- 3.3 The DFG is a mandatory grant provided by local authorities to those who meet all the required conditions following an occupational therapy assessment and, in

most cases, a means test. Government emphasises that the DFG is crucial in helping older and disabled people remain independent and reducing pressure on the NHS and adult social care.

- 3.4 The BCF funding is paid to Kent County Council (KCC), who must pass down the DFG funding element to their district councils in full, and in a timely manner, to enable the districts to continue to meet their statutory duty.
- 3.5 From this DFG element, TMBC agrees annually to the amount being retained by KCC to replace the Social Care Capital Grant that ceased in February 2016. This is known as 'Social Care Capital Top-Slice'. This agreement is adhered to Kent wide and has been subject to various discussions at various disciplines/levels of Officers over the years with the approach remaining consistent. There is an "acceptance" that this is a Kent-wide budget and the amount spent within each individual district area may not align with the top-sliced amount.
- 3.6 **Annex 1** details the top-slice amount retained by KCC since 2020/21. KCC uses this funding on installing ceiling track hoists and on other adaptations in people's homes. In 2023/24 KCC spent £64.9k more than the top-slice amount taken from Tonbridge & Malling BC within Tonbridge & Malling, and in 2024/25 £50k more was spent. Updated figures for KCC spend for 2025/26 should be presented by KCC shortly.
- 3.7 The primary purpose of a DFG is to fund adaptations that enable disabled adults and children to live safely and independently in their homes. This covers essential works such as level-access showers, ramps, stairlifts, widening doorways, and complex structural alterations.
- 3.8 In addition to statutory adaptation work, TMBC uses DFG funding to fund several vital services, as follows:
- Hoarding Support Service: providing specialist help to residents whose hoarding behaviour creates risk, reducing crisis intervention and safeguarding concerns.
  - Hospital Discharge Scheme: enabling rapid adaptations or urgent work to facilitate safe discharge, supporting NHS flow and reducing length of stay.
  - Handyperson Service: delivering minor adaptations and safety improvements, particularly fall-prevention interventions, helping residents remain safe at home.
  - Discretionary grant assistance with a focus on hospital discharge, urgent works to enable people to continue living independently in their own home and top-up of mandatory DFG limit.
- 3.9 These services collectively reduce pressure on health and social care and are reliant on DFG funding stability.

## 4 Proposal

### 4.1 National Review and Consultation on DFG Allocation Methodology

- 4.1.1 The formula used to distribute DFG funding had not been updated since 2011.
- 4.1.2 A 2018 national review recommended that the allocation model be modernised to reflect current demographic trends, disability prevalence, tenure profiles, and deprivation levels.
- 4.1.3 This recommendation was reinforced by the 2024 Levelling Up, Housing and Communities (LUHC) Select Committee Inquiry, which highlighted inequities in distribution and the need for funding to be aligned more closely to local need.
- 4.1.4 In summer 2025, Government undertook a national consultation proposing a revised methodology for DFG allocation. The consultation aimed to create a fairer, more transparent, and evidence-based formula.
- 4.1.5 Government published its response in February 2026, confirming its intention to proceed with the new model, supported by transitional protections to avoid destabilising local delivery.

### 4.2 TMBC Formula Parameters in the New National Model

- 4.2.1 The Government's DFG funding calculator provides the following modelled inputs for Tonbridge & Malling:
- Disabled adults and children: 29,000
  - Non-disabled older adults: 15,000
  - Income deprivation score: 0.153
  - LA-owned housing stock: 10
  - Total housing stock: 56,823
  - Percentage of non-LA owned stock: 100%.
- 4.2.2 The calculator generates a modelled 'fair share' of the national DFG total and for TMBC this is 0.19%.
- 4.2.3 Government has confirmed £723 million in funding for the Disabled Facilities Grant (DFG) for 2026–27.
- 4.2.4 However, Government notes that the fair shares do not directly determine final funding due to transitional protections and dampening.

### 4.3 Transitional Protections (Funding Floors) and funding estimates

4.3.1 To prevent sudden reductions, Government has introduced floors applied to each authority's June 2025 baseline allocation. These are:

- 2026/27: minimum 100% of June 2025 allocation
- 2027/28: minimum 97.5% of June 2025 allocation
- 2028/29: minimum 95% of June 2025 allocation.

4.3.2 These protections ensure any reductions occur gradually, allowing councils to plan changes in service delivery or budget adjustments.

4.3.3 Based on the application of funding floors, TMBC's funding trajectory is:

- 2025/26: £1,667,979
- 2026/27: £1,667,979 (no reduction due to 100% floor)
- 2027/28: £1,626,279.53 (reduction of £41,699 against 2025/26 level)
- 2028/29: £1,584,580.05 (reduction of £83,399 against 2025/26 level).

4.3.4 The total reduction over three years is therefore £125,098, with total DFG funding across the three years of £4,878,839.

### 4.4 Strategic and Operational Implications

4.4.1 While Tonbridge & Malling's modelled fair share is lower than previous allocations, strong transitional protections limit the immediate impact.

4.4.2 The three-year reduction of £125,098 requires proactive planning, particularly for the non-statutory but highly beneficial services funded through the DFG. Continued monitoring, financial modelling, and engagement with partners will be essential to ensure sustainable service delivery.

4.4.3 It should be noted that TMBC has underspent its funding allocations over several previous financial years triggered significantly during and after the Covid pandemic, resulting in the accumulation of £1,996,807 at 31 March 2026 in unspent funding (see **Annex 1**). A commitment of approximately £678,000 will be carried forward into 2026/27 where works under a DFG have been approved but not yet completed.

4.4.4 Importantly it has been confirmed that unlike in previous years where TMBC used the DFG funding for additional Occupational Therapy (OT) resourcing there are no backlogs of DFG cases sitting with the KCC Occupational Therapy teams.

- 4.4.5 As a result of this significant accumulated underspend, TMBC does not currently envisage the need to reduce or withdraw existing DFG funded services in response to the planned reduction in annual funding. Indeed, work is progressing to extend the hoarding support service in response to need and to consider further discretionary grant assistance funding opportunities that could free up the Council's existing housing assistance budget for more targeted work e.g. on empty homes.
- 4.4.6 The underspend provides a degree of financial resilience that will enable services to continue in the short to medium term while the impact of the revised funding formula is monitored.
- 4.4.7 The position will, however, remain under active review, with annual budgets set having regard to demand trends, spend profiles, and future funding certainty.

## **5 Other Options**

- 5.1 There are no other options available.

## **6 Financial and Value for Money Considerations**

- 6.1 As detailed in the main body of the report and within the annexes.

## **7 Risk Assessment**

- 7.1 None arising from this report.

## **8 Legal Implications**

- 8.1 None arising from this report.

## **9 Consultation and Communications**

- 9.1 Promotion of DFGs and the wider services the Council provides under the BCF funding will continue particularly through the health partnerships work.

## **10 Implementation**

- 10.1 The new funding arrangements have been implemented by Government.

## **11 Cross Cutting Issues**

- 11.1 Climate Change and Biodiversity

- 11.1.1 Limited or low impact on emissions and environment.

- 11.1.2 Climate change advice has not been sought in the preparation of the options and recommendations in this report.

- 11.2 Equalities and Diversity

11.2.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### 11.3 Other If Relevant

- Healthy Lifestyles

11.3.1 Adapting a home to meet a resident's needs can ensure that the home is safe for them having a positive impact on their health. The wider schemes provided through the BCF can all have a positive outcome on resident's health and wellbeing.

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| Background Papers | None            |
| Annexes           | 1 – TMBC budget |