

Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	Yes	20/08
Relevant Group Head review	Yes	20/08
MAT+ review (to have been circulated at least 5 working days before Stage 2)	Yes	
This item is on the Forward Plan for the relevant committee	Yes	
	Reviewed by	
Finance comments (circulate to Finance)	Yes	20/08
Risk comments (circulate to Lee O'Neil)	LO	03/09/26
Legal comments (circulate to Legal team)	JC	04/09/26
HR comments (if applicable)		

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	09/09/26
S151 Officer commentary – at least 5 working days before MAT	T.Collier	20/08
Commissioner engagement Commissioners support the recommendations of this report as this approach will promote fairness and address the financial pressures in the DFG budget.	Delete as applicable:	No issues Comments in S. 7
Confirm final report cleared by MAT		

Community Wellbeing & Housing

Date of meeting 29th September 2026

Title	Review of Disabled Facilities Grant (DFG) Policy – Re-Introduction of Means Testing for Level Access Showers
Purpose of the report	To make a decision
Report Author	<i>Stephen Mortimer-Cleevely</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Addressing Housing Need Services
Recommendations	Committee is asked to: 1) Note the outcome of investigations undertaken following the June 2026 Committee meeting regarding potential redistribution of Disabled Facilities Grant underspends from other local authorities. 2) Note that advice received from MHCLG and Foundations confirms that no mechanism exists to transfer underspent DFG funding between local authorities and must be returned through the relevant Government funding arrangements. 3) Approve the amendment of the Council's Disabled Facilities Grant (DFG) Policy to remove discretionary means test exemptions for level access showers. 4) Approve the introduction of means testing for this adaptation type in line with statutory DFG requirements under the Housing Grants, Construction and Regeneration Act 1996. 5) Approve the reduction of the aids and adaptations disregard from £2000 to £1000. 6) Delegate authority to the Group Head of Community Wellbeing, in consultation with the Chair & Vice Chair to implement minor operational changes required to enact the revised policy. 7) Note the intention to align Spelthorne's DFG policy with other Surrey authorities in advance of Local Government Reorganisation (LGR).

Reason for Recommendation	The Council is experiencing increased demand and financial pressure on the DFG budget. Aligning with national expectations and Surrey-wide policy approaches will ensure equitable, sustainable, and legally robust allocation of resources.
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1. Executive summary of the report (*expand detail in Key Issues section below*)

What is the situation	Why we want to do something
• Demand for Disabled Facilities Grants (DFGs) and other home adaptations continues to increase, driven by an ageing population, more complex needs and increasing construction costs. • Following the Committee's request in June 2026, officers explored whether authorities with forecast DFG underspends could transfer funding to councils experiencing demand pressures. Discussions were held with neighbouring Surrey authorities, MHCLG and Foundations. • These enquiries confirmed that there is no mechanism to transfer underspent DFG funding between local authorities. As a result, Spelthorne must manage increasing demand within its own allocation. • Current expenditure and approved commitments indicate continued pressure on the DFG budget during 2026/27 • The proposed changes are estimated to deliver efficiencies of approximately £108,000 per annum, helping to mitigate projected pressure within the DFG programme.	• The Council must ensure that limited DFG resources remain available for residents with the greatest assessed need. • The current discretionary exemption from means testing for level access showers is no longer considered financially sustainable and is inconsistent with the approach adopted by neighbouring Surrey authorities. • Reintroducing means testing will improve fairness; ensure public funds are targeted appropriately and help maintain the long-term sustainability of the DFG programme.
This is what we want to do about it	These are the next steps

• Amend the Council's DFG Policy to reintroduce means testing for level access showers in line with the statutory DFG framework. • Reduce the aids and adaptations disregard from £2,000 to £1,000. • Align Spelthorne's approach with Surrey-wide practice and support policy consistency ahead of Local Government Reorganisation.	• Subject to approval, update the DFG Policy and associated guidance documents. • Communicate the changes to residents, occupational therapists, health partners and other stakeholders. • Implement the revised arrangements from October 2026 and monitor the financial impact on the DFG programme
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2. Key issues

- 2.1 Following the CWHC Committee's request at its June 2026 meeting, officers undertook enquiries with neighbouring Surrey authorities, MHCLG and Foundations (the national body supporting Disabled Facilities Grant delivery). These enquiries sought to establish whether authorities with forecast DFG underspends could transfer allocations to authorities experiencing demand pressures.

Advice received confirmed that Disabled Facilities Grant allocations form part of the Better Care Fund arrangements and are allocated to individual local authorities. Whilst local authorities can manage expenditure flexibly within their own allocation, there is no mechanism available for the transfer of underspent DFG funding between authorities. Any unspent funding remains subject to the relevant Government funding arrangements and cannot be redistributed directly to other councils.

Consequently, no additional funding source has been identified through redistribution of underspends and Spelthorne must continue to manage demand within its own allocation

2.2 National Policy Context (DFG and BCF)

The Disabled Facilities Grant is a mandatory grant governed by the Housing Grants, Construction and Regeneration Act 1996. While local authorities have discretion in policy delivery, national guidance increasingly emphasises:

- Targeting limited resources at those in greatest financial need
- Demonstrating impact on hospital discharge, prevention, and independence
- Integration with health partners via the Better Care Fund

DFG funding is now fully embedded within the Better Care Fund, meaning local authorities are expected to evidence:

- 2.3 Reduction in hospital admissions and delayed discharges
- 2.4 Prevention of residential care placements
- 2.5 Efficient use of public funds

Maintaining blanket exemptions for high-cost adaptations is inconsistent with this direction of travel.

In the last financial year 25/26, the team delivered 141 DFG's and 527 Aids and Adaptations.

2.6 Financial Pressures and Demand Growth

Locally, Spelthorne is seeing:

- Rising demand linked to an ageing population.
- Increased complexity of cases, including hospital discharge and residents with multiple long-term conditions.
- Higher unit costs for adaptations arising from inflationary pressures and contractor availability.

2.7 As at September 2026, the Council has already paid **£592,282.72** in DFG and Aids and Adaptations funding, with a further **£235,979** committed to approved works. This demonstrates that the demand pressures identified in 2025/26 have continued into the current financial year.

Stairlifts and level access showers represent a significant proportion of DFG spend. Removing means testing in 2022 has:

- Increased overall grant expenditure
- Reduced available funding for higher-need households
- Created potential inequity in allocation

2.8 Equity & Fairness

The current approach creates inconsistency whereby:

- Some applicants contribute financially (via means test)
- Others receive fully funded adaptations regardless of financial capacity

Reintroducing means testing ensures:

- Fairness across applicants
- Better targeting of public funds
- Compliance with the principle of ability to pay

2.9 The Means Testing Process

Spelthorne Borough Council uses the nationally recognised FERRET software system to undertake Disabled Facilities Grant (DFG) means testing assessments. FERRET is widely used by local authorities across England and applies the statutory test of resources prescribed under the Housing Grants, Construction and Regeneration Act 1996.

The assessment takes into account:

- household income
- savings and capital

- certain welfare benefits
- partner or spouse income
- allowable household expenditure and applicable premiums

The system calculates whether an applicant is required to make a financial contribution towards the cost of the adaptation works and, where applicable, determines the level of contribution.

2.10 Local Government Reorganisation

A review of Surrey authorities has confirmed that means testing is routinely applied to level access showers and similar high-cost adaptations across neighbouring districts and boroughs.

Spelthorne is currently an outlier in maintaining a discretionary exemption from the statutory means test for these adaptation types.

The proposed change would therefore bring the Council into closer alignment with countywide practice, improve consistency for residents and partners, and support the transition to Local Government Reorganisation. In advance of Local Government Reorganisation, there is a clear strategic need to:

- Harmonise policies across districts and boroughs
- Reduce variation in service delivery
- Enable smoother transition to unitary structures

Failure to align now risks:

- Policy inconsistency
- Increased complexity during transition
- Financial disparities across the future authority

3. Options appraisal and proposal

3.1 Option 1 – Re-Introduce means testing (Preferred Option)

Ensures financial sustainability of the DFG budget and aligns with national policy expectations and Better Care Fund requirements.

Promotes fairness and equitable allocation.

Aligns with Surrey authorities ahead of LGR.

Protects funding for highest-need residents.

There is a potential that this will increase the administrative burden, and it will ultimately mean that some residents will now have to contribute financially, there is a risk that some residents may not adapt their property.

3.2 Option 2 – Retain current exemptions

Simpler to administer and maximises accessibility for residents.

This approach is financially unsustainable and leads to an inequitable allocation of resources. Leaving the Council misaligned with Surrey partners and increases the risk of budget overspend.

Misalignment with Surrey authorities ahead of LGR.

4. Risk implications

- 4.1 **Financial risks:** high potential for an overspend on DFG budget if policy remains unchanged an introduction of means testing enables improved monitoring of spend.
- 4.2 **Operational risks:** there will be an inherent increased processing time as each applicant will have to be fully financially assessed
- 4.3 **Reputational risk:** there will likely be a perception of reduced support, but mitigations will include clear communication and signposting to additional support mechanisms.
- 4.4 **Legal risk:** we are open to potential challenge if the policy is inconsistent, the closer alignment to statutory framework and local practice should help mitigate the risks

5. Financial implications

Estimated level access showers (LAS) applications FY 25/ 26 that would have failed proposed means test	12
Average cost per LAS	£7,918
Positive Impact on DFG	£95,015

In FY 25/26 Twenty-seven properties benefitted from aids and adaptations costing between £1,000 and £2,000, by reducing the DFG disregard to £1,000 we could reduce DFG spend by an additional £13,000.

In total both changes will yield potential efficiencies of approximately £108,000.

It is important to emphasise there is a potential risk that proposed changes will increase the administrative burden and it will ultimately mean that some residents will now have to contribute financially, some residents may not adapt their property.

Current DFG Activity and Expenditure 2026/27

The financial pressures identified within the Disabled Facilities Grant programme have continued into 2026/27. As at August 2026, expenditure and commitments remain significant, reflecting sustained demand for adaptations across the borough.

Current Financial Position (2026/27)

Current Financial Position (2026/27)	Amount
Total DFG payments	£520,375.72
Aids and adaptations	£71,907
Current commitments	£235,979
Total paid and committed	£818,261

N.B. This table excludes cost associated with DFG delivery, specifically capitalised salary costs.

Analysis of Current Position

5.1 As at September 2026, the Council has made Disabled Facilities Grant and Aids and Adaptations payments totalling £592,282.72, comprising £520,375.72 in Disabled Facilities Grant payments and £71,907 in Aids and Adaptations expenditure.

5.2 In addition, there are currently approved Disabled Facilities Grant commitments totalling £235,979. These commitments represent works approved but not yet fully paid and are expected to be incurred during the current financial year.

5.3 Taken together, current expenditure and commitments amount to £818,261, demonstrating continued demand for adaptations and ongoing pressure on available Disabled Facilities Grant resources.

The investigations undertaken following the June 2026 Committee meeting have confirmed that no additional funding can be secured through the transfer of underspends from other local authorities. Consequently, the Council must continue to manage demand within its own allocation whilst ensuring resources remain focused on residents with the greatest levels of assessed need.

5.4 As at September 2026, total expenditure on Disabled Facilities Grants and Aids and Adaptations is £592,282.72. Based on expenditure incurred during the first five months of the financial year, actual spend is projected to reach approximately £941,873 by year end.

5.5 In addition, there are approved Disabled Facilities Grant commitments of £235,979 which are expected to be delivered during the current financial year.

5.6 If these commitments are fully realised, the projected year-end expenditure and commitments would total approximately £1.178m, representing a potential pressure of approximately £50,000 against the Council's 2026/27 Disabled Facilities Grant allocation of £1.128m.

Whilst actual outturn will depend on delivery timescales and completion of approved works, the current trajectory demonstrates continued pressure on the DFG programme and reinforces the need to ensure available resources are targeted towards residents with the highest levels of assessed need.

Current Position as at 31 August 2026	Amount
DFG Payments	£347,484.76
Aids & Adaptations Payments	£44,962.39
Total Actual Spend	£392,447.15
Current DFG Commitments	£312,781.23
Annualised Actual Spend Forecast	£941,873.16
Forecast Year-End Position (including commitments)	£1,254,654.39
DFG Allocation 2026/27	£1,128,428.00
Forecast Variance	(£126,226.39)

N.B. This table excludes cost associated with DFG delivery, specifically capitalised salary costs

6. Legal comments

- 6.1 The DFG is a statutory grant provided under the Housing Grants, Construction and Regeneration Act 1996 (HGCRA). The Council is under a statutory obligation to administer DFGs to qualifying applicants.
- 6.2 Central Government makes capital funding available for DFGs as part of the Department of Health's Better Care Fund.
- 6.3 Means testing is a statutory requirement for DFG adaptations to ensure that funding is directed to those most in need. The means test assesses the income and savings of the applicant and their spouse or partner.
- 6.4 The removal of discretionary exemptions from DFG allocations is lawful under HGCRA as discretionary grants are not a statutory requirement.

Corporate implications

7. Commissioners' comments

- 7.1 Commissioners support the recommendations of this report as this approach will promote fairness and address the financial pressures in the DFG budget.

8. S151 Officer comments

The S151 Officer confirms that all financial implications have been taken into account, and that the Council needs to take the steps recommended to bring capital spending in line with the Government grant funding being received, as currently projected expenditure exceeds the funding available. The proposal brings the Council into line with policy approach of all the other Surrey Councils. The Council cannot continue on a financially non-sustainable approach towards Disabled Facilities Grants. The S151 Officer therefore strongly supports the recommendations set out in the report.

9. Monitoring Officer comments

- 9.1 The proposed changes to the DFG policy comply with the statutory duty under the Housing Grants, Construction and Regeneration Act 1996. Means testing ensures that funding is directed to those most in need.

10. Procurement comments

- 10.1 There are no procurement implications arising directly from the recommendations in this report. All individual cases must comply with all applicable legislation, regulations and requirements, including (but not limited to) the Council's Contract Standing Orders.

11. Equality and Diversity

Whilst the proposal may affect some disabled residents who would previously have received adaptations without financial assessment, the statutory means test is specifically designed to protect households on low incomes and those in receipt of relevant benefits.

Residents assessed as unable to contribute will continue to receive support in accordance with the statutory DFG framework.

The proposal therefore seeks to balance equitable access to adaptations with the need to ensure public resources remain available for residents with the highest levels of need.

12. Sustainability/Climate Change Implications

Minor positive impact through enabling residents to remain in their homes, reducing need for higher-carbon institutional care.

13. Other considerations

- Alignment with Adult Social Care priorities
- Integration with hospital discharge pathways
- Communication with occupational therapy services

14. Timetable for implementation

- | 14.1 Milestone | Date |
|--------------------|----------------|
| Committee approval | September 2026 |

Policy update	October 2026
Stakeholder communication	October- November 2026
Implementation	December 2026

15. Contact

15.1 *Stephen Mortimer-Cleevely*

Background papers:

Background Paper 1 – DFG Surrey Return

Background Paper 2 – Latest Delta Return

Appendices:

Appendix 1 – Draft Revised DFG Policy

Appendix 2 – DFG Handbook for Surrey - Benchmarking of Surrey Authorities

Appendix 3 - Impact Report

Appendix 4 - Existing Grants