

NEATH PORT TALBOT COUNCIL

SOCIAL CARE HEALTH & WELL-BEING CABINET BOARD

20 JANUARY 2022

Report of the Head of Adult Services - Angela Thomas

Matter for information

Wards Affected: All Wards

DISABLED FACILITY GRANTS - REMOVAL OF MEANS TEST FOR SMALL AND MEDIUM GRANTS

Purpose of the Report

To provide details for discussion of the proposed removal of the means test for small and medium sized Disabled Facility grants (DFG) as announced by the Welsh Government in March 2021 and to outline the implications of this and conditions that can be put in place to control demand.

Executive Summary

On 10th March 2021 Welsh Government made the following announcement:

We know that reducing barriers so disabled people can maintain their independence, safety and good health allows them to continue to live at home with dignity, and it also reduces pressures on our health and social care services. From April 2021 it will be simpler for disabled people to get help with small and medium sized adaptations to their homes as we take measures to remove the means test from small and medium Disabled Facilities Grants (DFG).

Our most recent data shows us that small and medium sized adaptations made up the vast majority of DFGs – 1,507 small and 2,214 medium adaptations, compared with just 269 large adaptations.

If we remove the means test, independent research calculates it would cost local government in Wales an additional £238,000, and estimates each local authority would save £6,000-£10,000 in annual administration costs. This research by the Wales Centre for Public Policy has been published on their website today.

This paper looks at how best to introduce this, possible implications and proposed options.

Background

The Disabled Facility Grant

The DFG is a statutory requirement of the Authority, which is governed by the Housing Grants, Construction and Regeneration Act 1996, as amended by the Regulatory Reform (Housing Assistance) (England and Wales) order 2002.

A DFG pays for essential adaptations to aid disabled people gain better freedom of movement into and around their homes by providing access to essential facilities within their home. The core group of adaptations facilitate access to the living room, bathroom, bedroom, kitchen and / or access and egress to the property.

The grant for adults is subject to a statutory means test, the requirement to carry out a means test for children was abolished in 2009. The grant is subject to a maximum limit of £36,000 and is available to homeowners and tenants.

When considering an application the Authority must determine whether the proposed works are reasonable and practicable having regard to the age and condition of the property, and practicalities of carrying out the work, in addition the Occupational Therapists are consulted to ensure that any adaptations are necessary and appropriate.

The table below gives information on referrals, applications and means test for the last three financial years.

Information	Financial year			
	18/19	19/20	20/21	21/22 (up to Sept 21)
Referrals received from Occupational Therapists	474	457	205	194
Means tests (MT) completed	161	108	84	63
Applications cancelled due to MT	97	86	56	49
Number of small medium cancelled due to MT	87	81	53	49
Total no of formal apps received	378	227	196	143
Total no of applications approved	330	210	160	120
Number of grants completed	313	229	105	79
Total number of small medium grants reclaimed	14	14	30	12

Conditions of the existing statutory grant.

In July 2011 a report was approved by the Cabinet to impose the following Grant Conditions:

- (a) Authorities may impose a condition on a DFG applicant (who has a qualifying interest in the property) relating to the sale of the property within the grant condition period of 10 years.
- (b) Where the DFG recipient disposes (whether by sale, assignment transfer or otherwise) of the dwelling that has been grant aided within 10 years of the certified date of the completion of the grant, then the Authority can demand repayment of such part of the grant that exceeds £5,000.
- (c) These conditions are registered as a local land charge on the property, in accordance with legislation.

Small & Medium sized grants

The definition used by WG of small and medium, is –

- Small – rails, indoor and outdoor, small ramps, mop stick rails etc
- Medium – Walk in showers, stair lifts, large ramps

Small and medium grants equates to 65% of the total grants delivered per year by NPT at an average cost of £9000 per grant, this totals approx. £1.5m worth of the budget.

Welsh Government statement.

The WG have requested that all authorities in Wales remove the need for a means test for small and medium sized grants by creating a discretionary DFG. The WG are not making a legislative change to the Housing Grants Act 1996 but have requested authorities use their discretionary powers under the Regulatory Reform Order 2002 to create this grant.

They have requested that authorities create a discretionary DFG for small and medium sized grants that is available by 1st April 2022. The WG announcement states - *If we remove the means test, independent research calculates it would cost local government in Wales an additional £238,000.*

For clarification, WG calculated this by totalling all the contributions that were actually paid towards small and medium sized grants across wales. What was not taken into account was the amount of grants that cancel due to a contribution or the applicant does not wish to divulge any financial information. By removing the means test this additional demand is very likely to come through DFG process.

NPT adaptation service on average cancel 80 applications a year due to means tests reasons, using the average grant cost of a small medium grant (£9000) this would equate to £720,000 of additional demand for NPT alone.

The average amount of contributions paid towards grant work in NPT is £60,000 per year.

Means testing

Currently legislation states that a means test has to be carried out on all adult applications. At the start of the DFG process enquiries are made to determine if the applicant is on any means tested benefits such as – Universal credit, income support, Guarantee Pension Credit, Housing benefit etc., if this is the case no further financial information or full means is required as this has previously been carried out for the benefits.

If an applicant is not on a means tested benefit then a preliminary means test is carried out which will indicate if a contribution is likely to be required, the result of this is discussed with the applicant and at this stage they can decide whether to proceed with a full means test or to cancel the application.

A means test contribution could range from a few hundred pounds to thousands of pounds and is not linked to the cost of works. As indicated in the information table above, around 90% of the applications cancelled due to means testing were small and medium sized works.

Removal of the Means test and implications.

Demand

As indicated above there is a known demand that cancel the application and do not proceed purely because of the means test, whether it be they do not want to declare their financial information or they have a contribution to pay if they continue. By removing the means test this demand are now very likely to proceed with the application.

This demand is currently approx. 80 applications per year.

There is also the unknown demand, people are aware that a means test is required for a grant and due to this do not enquire for a DFG. When the means test is removed it will create an opportunity for all to apply, the service has already had a number of enquiries stating they will apply as soon as the means test is removed.

Implications of a higher demand.

Every year the allocated adaptation budget is fully committed by around the end of October, and fully spent by the end of financial year.

From November to end of March a waiting list will build as the demand is higher than the available budget, at the start of the financial year the waiting list will on average contain approx. 150 applications that have been prepared and ready to be released to go on site or in the process of being prepared.

The current budget level delivers approx. 250 - 300 grants a year, those on the waiting list will currently wait approx. 5 to 6 months to have their works carried out on site.

The actual total increase in demand is predicted to be around 100 applications in the first year; the number of jobs delivered would remain approximately the same due to the budget restraints. The budget would also be committed around the same time due to staff resources and capacity; however, the additional demand will significantly increase the waiting list at the end of the financial year.

The waiting list at the end of a typical financial year will contain approx. 150 applications, and the additional demand of 100 totalling 250 on the waiting list would mean the budget for the new financial year would in practice be almost fully committed right at the start of the new financial year. In this instance, the waiting list would start to build very early on in the financial year. If this level of new demand remains or increases each year it will result in the waiting time for an applicant increasing year on year.

For someone applying in April 2023 they are likely to wait over a year before their application is processed.

Options to control demand

The removal of the means test is not a legislative change it is a request from the Welsh Government to use discretionary powers to introduce this. The authority can if it wishes to not introduce this and continue with the current arrangements.

However, the Welsh Government will no doubt apply pressure on the authority to implement this change.

The statutory DFG carries conditions as stated above, the discretionary grant will be created under the powers of the Regulatory Reform Order 2002, which also allows to attach conditions to the discretionary grant.

Grant condition options.

This section considers the different options of grant conditions available.

Repayment of the grant

- Repayment of the grant on sale or transfer of the property - timescale could be lifetime; or 10 years as currently in place for a DFG.
- Repayable amount - Full repayment of the entire grant, or discard the first set amount e.g £2000, existing DFG's - £5000

Other conditions

- Limit amount of applications to 1 year per year.
 - The service rarely gets multiple requests per year from an applicant.
 - Due to the budget restraints and waiting list it is very unlikely an applicant would have 2 grants in the same Financial year.
- Consider a financial limit per grant
 - E.g. maximum of £10,000 per grant
 - This isn't always beneficial as some small/medium grants can exceed normal costs due to difficulties on site or some specialist equipment being required.

It is felt by introducing more rigid conditions to a grant it could potential deter people applying who can afford the works but could also disadvantage those on means tested benefits who genuinely may not be in a position to repay the grant if lifetime full repayment conditions are put in place.

In this circumstance, a two route approach could be considered, Means tested route or non-means tested route, with the applicant choosing which route they wish to follow.

- First option - The existing mandatory route that includes means test, this will allow those on pass porting benefits and lower incomes/savings etc. to have the grant on the existing conditions.
- Second Option – non-means tested route, this route would need significantly different conditions.
 - Two route approach only practical if the conditions of the non-means tested route are actually significantly different to those on the means tested route.
- Budget
 - Limit the amount of budget for non-means tested route.
 - As this would be a discretionary grant the authority can decide how much of the total budget can be put towards it, e.g. £250,000 (27 grants at average cost) can be allocated to non-means tested grants. When that is committed, a waiting list would start.

Repayments

As indicated above if the existing conditions are broken then the grant is required to be paid back, excluding the first £5000.

The table below indicates the amount of repayments for small and medium grants over the last four financial years.

Year	Total number reclaimed	Total Amount	Average amount
2017 – 18	27	£44500	£1,650
2018 – 19	14	£33500	£2,400
2019 – 20	14	£28,000	£2,000
2020 – 21	30	£57,000	£1,900
2021 – 22 (31 st Dec 21)	12	£19,000	£1,583
Total amount	97	£182000	
Total averages	19	£36,400	£1987

Out of approx. 170 small and medium jobs per year, on average 19 are reclaimed to a total approx. value of £36,400.

Neighbouring local authorities.

A number of meetings and discussions have taken place over the last few months with south wales authorities, it was proposed a regional approach was taken with NPT, Carmarthenshire, Swansea and Bridgend, initially each authority was looking at a different approaches due to differing budgets, demands and ideas, but it now seems most authorities proposals are all very similar.

All authorities have looked at similar proposals and have all been advised by their respective legal departments and cabinet members etc., below is a summary of some of the neighbouring authorities' proposals.

Swansea

£36k maximum grant, 10-year grant conditions with the initial £5k discounted.

Carmarthenshire

£36k maximum grant, 10-year grant conditions with the initial £5k discounted.

Ceredigion

£36k with no conditions.

Pembrokeshire

£10k maximum, lifetime or 10 year payback conditions, (TBC) first £5k discounted.

Some authorities have also decided to remove the means tests from all DFG's including large works.

Summary

It is welcomed to have the means test removed for small and medium sized grants but it is almost certainly going to increase the demand substantially.

The Welsh Government have requested that this is implemented but not made a legislative change so it is optional, however all authorities in Wales are making the change and it would be sensible to implement the change.

Currently the control measures that are in place is that each applicant will have an Occupational Therapist assessment to identify what works and adaptations are required followed by a means test to identify if the applicant can afford to carry out the works themselves.

By removing the means test it inevitably allows people to be awarded a grant who can afford to carry out the works themselves, this action completely removes any control over this.

As indicated above the known demand that presents to the service for small and medium sized grants currently that cancel due to means test is approx. £720,000, additional to this is the unknown demand of people who will now present and request a grant when the means test is removed.

Without a substantial increase to the budget this will put a lot of additional pressure on the existing budget and will result in larger waiting list and times. This can also have a knock on affect with the applicant deteriorating further the longer they wait and possibly requiring more complex and expensive adaptations when they are eventually assessed.

In order to try and control the demand and to ensure the grants are awarded to those who cannot afford to carry out the works themselves a number of conditions have been considered and advice sought for them all.

Proposed conditions

Initial proposals were to have a two route approach (means tested or non means tested) that made the non means tested route less attractive to those who could afford the works as they would have to eventually repay the whole grant back at point of sale of the property. For this to be affective, the conditions have to be significantly different to the existing route.

As explained below this option is not feasible.

Reclaim time period.

Following legal advice, due to the value and type of works and lifespan of the works/equipment such as shower conversions, Stairlifts, etc., they have no value after 10 years, unlike an extension which has value for a far longer period so time period for reclaim should remain at 10 years.

Value to reclaim.

It is proposed to set this the same as the existing grant conditions, to disregard the first £5000 and to reclaim the remaining amount.

Value of grant

Setting a limit on the value of grant can create unnecessary problems, if the value is set at £10,000 occasionally an adaptation may cost over the set amount, this would not allow the grant to proceed. By the nature of the type of works they are the lower cost adaptations so setting a limit isn't necessary, it is proposed to keep the grant limit at £36,000

Limit amount of discretionary budget.

If there was to be a two route option a limited amount of discretionary funding could be considered. The proposal is for one route therefore limited the discretionary budget is not required.

Proposed discretionary grant summary.

The proposal is to create a discretionary grant under the Regulatory Reform order 2002 powers for small and medium grants, works to include: -

- Small – rails, indoor and outdoor, small ramps, mop stick rails etc.
- Medium – Walk in showers, stair lifts, large ramps
- Referral process to remain the same as the mandatory grant, Occupational therapist to carry out assessment and refer to the Housing Renewal and Adaption Service.
- Application to be dealt with in date order as existing process.
- Financial limit to be £36,000
- The following grant conditions to be imposed:-

- Where the DFG recipient disposes (whether by sale, assignment transfer or otherwise) of the dwelling that has been grant aided within 10 years of the certified date of the completion of the grant, then the Authority can demand repayment of such part of the grant that exceeds £5,000.
- These conditions are registered as a local land charge on the property, in accordance with legislation.

The demand for small and medium grants will be closely monitored to determine the impact of this change.

Next actions.

The Housing Renewal policy will need to be re-written to include the new discretionary grant and then approved by Cabinet.

Following this, the new discretionary grant will be introduced.

Financial Impacts

Additional pressure to the existing budget.

Integrated Impact Assessment

There is no requirement to undertake an Integrated Impact Assessment as this report is for information purposes only.

Valleys Communities Impacts

No detrimental impact.

Workforce Impacts

No impact.

Legal Impacts

No impact.

Risk Management Impacts

No impact.

Crime and Disorder Impacts

Section 17 of the Crime and Disorder Act 1998 places a duty on the Council in the exercise of its functions to have “due regard to the likely effect of the exercise of those functions on and the need to do all that it reasonably can to prevent:

- a) Crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment); and
- b) The misuse of drugs, alcohol and other substances in its area; and
- c) Re-offending the area”

There is no impact under the Section 17 of the Crime and Disorder Act 1998.

Counter Terrorism Impacts

The proposals are likely to have no impact on the duty to prevent people from being drawn into terrorism.

Violence Against Women, Domestic Abuse and Sexual Violence Impacts

Section 2(1) of the Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015 introduced a general duty where a person exercising relevant functions must have regard (along with all other relevant matters) to the need to remove or minimise any factors which:

- (a) increase the risk of violence against women and girls, or
- (b) exacerbate the impact of such violence on victims.

The proposals contained in this report are likely to have no impact on the above duty.

Consultation

There is no requirement for external consultation on this item.

Recommendations

No recommendations - for information only.

Reasons for Proposed Decision

N/A

Implementation of Decision

N/A

List of Background Papers

None

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