

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO CABINET

8 MARCH 2022

### REPORT OF THE CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

#### DISABLED FACILITIES GRANT MEANS TESTING

#### 1. Purpose of report

- 1.1 The purpose of this report is to inform Cabinet of Welsh Government guidance on the proposed removal of means testing on medium and small Disabled Facilities Grants (DFG) and, if supported, to seek approval for an interim amendment of the Council's Private Sector Housing Renewal and Disabled Adaptations Policy.

#### 2. Connection to corporate well-being objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:
- **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.

#### 3. Background

- 3.1 The delivery of Disabled Facilities Grants is undertaken in line with the Housing Grants, Construction and Regeneration Act 1996 as amended by the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and is incorporated into the Council's Private Sector Housing Renewal and Disabled Adaptations Policy (January 2018).
- 3.2 It is currently a requirement that all adult mandatory DFG's (children's cases are exempt) undertake a means test to determine whether a contribution is required towards the works. The grant available has a maximum limit of £36,000 set by Welsh Government.
- 3.3 When applying for a grant, the applicants details are checked against certain 'passport benefits' such as Council Tax Reduction, Income Related Employment Support Allowance, Pension Credit, Housing Benefit, Universal Credit etc, and if in receipt of these benefits, no contributions are required. If not in receipt of these benefits, a full means test takes place to determine the level of contribution, if any, to be made to the works. This could range from a small to significant contribution and the applicant is informed of the result. At this point many applicants choose not to proceed.
- 3.4 The DFG is available to home owners, tenants in the private sector and tenants of Valleys to Coast Housing (V2C) (as part of the transfer arrangement put in place in

previous years). The purpose of the grant is to allow people to remain within their own home and works must be 'reasonable' and 'practicable' and meet the needs of the individual as set out by an Occupational Therapist assessment. Current Terms and conditions of the grant, requires repayment within a 10 year period if the grant is in excess of £5,000; a legal charge on the property; and conditions of disposal for the applicant or subsequent owner of the property.

3.5 Welsh Government Adaptation Service Standards defines works as:-

- **Small** – minor home modifications, not specialist, eg small ramps
- **Medium** – major home modification may be required but not planning permission eg shower conversion, large ramps etc
- **Large** – major home modification/structural, specialist solutions etc extension, structural modifications

3.6 Welsh Government has indicated the intention to remove the requirement for a means test from small and medium DFG's. Welsh Government have estimated that small and medium sized adaptations made up the vast majority of cases, 1,507 small, and 2,214 medium adaptations, and that local authorities would save annual administration costs if the means test was removed. In order to meet the costs of removing the means test, enhanced Enable Grant funding would be made available to each local authority. Welsh Government has provided an indicative Enable Grant allocation for Bridgend County Borough Council as below with confirmed offer letters expected in March 2022. The payment of the Enable Grant is subject to the means testing for small and medium grants being removed.

|                       | <b>22-23</b>    | <b>23-24</b>    | <b>24-25</b>    |
|-----------------------|-----------------|-----------------|-----------------|
| Baseline Enable Grant | £180,000        | £180,000        | £180,00         |
| <b>Grant uplift</b>   | <b>£89,973</b>  | <b>£89,973</b>  | <b>£89,973</b>  |
| <b>Total</b>          | <b>£269,973</b> | <b>£269,973</b> | <b>£269,973</b> |

3.7 Enable Funding is currently used to provide very small scale discretionary works, under £5,000 such as home security works, small scale repairs etc that allow the resident to live in their home comfortably and safely. Currently Care and Repair administer this grant on behalf of the Council and it delivers very small adaptations based on needs. This is not means tested. The figures referenced in the tables below in paragraph 4.3 and 4.4 therefore do not include cases that are dealt with via this route. It is proposed that this arrangement continues for the immediate future and the baseline Enable Grant of £180,000 remains ringfenced for these works.

3.8 In order to facilitate the means test removal, Welsh Government do not intend to make legislative changes to the Housing Grant Act 1996 but have requested that local authorities use their discretionary powers under the Regulatory Reform Order from 1 April 2022.

3.9 Welsh Government intends to monitor the impact of this policy over a 3 year period and will report on progress annually and, if required, has the option of legislating for this change in the future.

#### 4. Current situation/proposal

4.1 Welsh Government has estimated the cost of withdrawing the means test for small and medium grants across Wales - *'If the requirement to conduct a means test is removed independent research calculates the cost to local government in Wales would be an additional £238,000'* It is unclear what formula has been used to reach this figure. As a result of that assessment, Welsh Government has increased grant funding through the Enable Grant outlined above in paragraph 3.6. *'This additional grant can be used to meet the capital pressures and address any potential bottlenecks as a result of increased demand'*.

4.2 The demand for DFG's over the past 4 years is highlighted in the table below. Cancellations take place for a variety of reasons: change of mind of the applicants, house moves, or deaths. Additionally, many applicants are unhappy with the means testing element of the application as they do not want to provide financial information or find that they are not prepared to make the level of contribution identified. The Council are also aware that once it is known that a means test is required, many initial enquiries do not get taken forward and the figures recorded below are likely to be an under-estimate of demand. (The 2020/21 year is not considered a typical year due to the restrictions of Covid 19).

4.3 An analysis of the applications for mandatory DFG grants applied for during the past 4 years shows the following -

|                                                                                         | 2017/18             | 2018/19            | 2019/20           | 2020/21           |
|-----------------------------------------------------------------------------------------|---------------------|--------------------|-------------------|-------------------|
| Total number of applications                                                            | 294                 | 438                | 311               | 121               |
| Total number of grants cancelled for any reason                                         | 152                 | 248                | 144               | 13                |
| <b>*Those cancelled for means testing reasons</b>                                       | <b>67</b>           | <b>86</b>          | <b>67</b>         | <b>5</b>          |
| <b>Number of grants where a contribution was required (financial contribution made)</b> | <b>14 (£21,431)</b> | <b>7 (£15,127)</b> | <b>6 (£3,309)</b> | <b>3 (£4,556)</b> |

##### **\*Means testing cancellation reasons**

|                                                   |    |    |    |   |
|---------------------------------------------------|----|----|----|---|
| Works completed without grants assistance         | 7  | 3  | 8  | 1 |
| Applicant did not wish to proceed with means test | 42 | 61 | 37 | 3 |
| Contribution too high                             | 18 | 22 | 22 | 1 |

4.4 The current core capital budget for Mandatory DFG's is £1,950,000. Calculating the number of cancellations specifically linked to mean testing over the last 4 years against an average cost of £12,000, £10,000 and £8,000 indicates a notional additional annual expenditure as follows –

|              | <b>Cases</b> | <b>Average cost @ £12,000</b> | <b>Average cost @ £10,000</b> | <b>Average cost @ £8,000</b> |
|--------------|--------------|-------------------------------|-------------------------------|------------------------------|
| <b>17/18</b> | 67           | £804,000                      | £670,000                      | £536,000                     |
| <b>18/19</b> | 86           | £1,032,000                    | £860,000                      | £688,000                     |
| <b>19/20</b> | 67           | £804,000                      | £670,000                      | £536,000                     |
| <b>20/21</b> | 5            | £60,000                       | £50,000                       | £40,000                      |

- 4.5 The level of increased demand that may occur if means testing is removed is unpredictable. Using the historic data available above, it is evident that costs of implementation are likely to exceed the Enable Grant uplift of £89,973 and to remain within the current annual budget could mean that cases get programmed over financial years to manage demand, potentially building up a significant waiting list.
- 4.6 As the financial and operational impact of this decision is not clearly understood it is proposed that Cabinet agree to an interim arrangement for the removal of means testing for small and medium grants from 1 April 2022 and the financial and operational implications of this change are monitored during the new financial year.
- 4.7 To facilitate this, it is proposed that an interim amendment to the Private Sector Housing Renewal and Disabled Adaptations Policy is put in place to reflect this decision with any permanent change to the Private Sector Housing Renewal and Disabled Adaptations Policy made at the conclusion of the review.
- 4.8 It is proposed that there is a one-track process for all DFG grants applications that follow the current established processes. Applications will be dealt with in date order as currently, terms and conditions remain and are applied across all applications for a DFG.
- 4.9 It is proposed that the current policy for large scale works and childrens cases remain in place: means testing for large grant applications for adults will continue, with adaptations for children under 18 not means tested.

## **5. Effect upon policy framework and procedure rules**

- 5.1 The current Private Sector Housing Renewal and Disabled Adaptations Policy is amended on an interim basis to reflect Cabinet's decision. The policy to be amended as necessary at the conclusion of the review and will be brought back to Cabinet for approval.

## **6. Equality Act 2010 implications**

- 6.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

## **7. Well-being of Future Generations (Wales) Act 2015 implications**

- 7.1 The Well-being of Future Generations (Wales) Act 2015 provides the basis for driving a different kind of public service in Wales, with five ways of working to guide how the

Council should work to deliver well-being outcomes for people. The following is a summary to show how the five ways of working to achieve the well-being goals have been considered in this report.

|               |                                                                                                                                                                                                              |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Long term     | Ensuring best use of available accommodation allowing Citizens to live safely in their own homes                                                                                                             |
| Preventative  | Through a person-centered approach preventing an individual escalating into hospital services                                                                                                                |
| Involvement   | Providing individuals the choice to remain in their home ensuring they are part of the process from start to finish managed through a single point of engagement                                             |
| Integration   | Ensure individuals can remain within their communities providing an array of benefits including stability through the maintaining of local support networks                                                  |
| Collaboration | Working in partnership with Social Services Princess of Wales Hospital, (POW) Valleys to Coast (V2C) to deliver the required adaptations necessary and appropriate to meet the needs of the disabled person. |

## 8. Financial implications

- 8.1 Welsh Government's payment of Enable Grant is conditional on the means testing of small and medium grants being removed.
- 8.2 The financial impact of the removal of means testing on small and medium grants will be monitored closely during 2022-23 in line with the £1,950,000 capital programme budget for DFGs. If the financial impact exceeds the uplift, and therefore the annual budget, this could mean that cases get programmed over financial years to manage demand, potentially building up a significant waiting list.

## 9. Recommendations

- 9.1 It is recommended that Cabinet:–
- 9.1.2 approve the removal of a means test for small and medium DFG's and that financial and operational implications are reviewed during the new financial year with a further report presented to Cabinet on the conclusion of the review.
- 9.1.3 approve the amendment of the Private Sector Housing Renewal and Disabled Adaptations Policy on an interim basis to take effect from 1 April 2022 until the conclusion of the review.
- 9.1.4 agree the baseline Enable Grant of £180,000 remains ringfenced for very small works and current arrangements continue for the immediate future.

Carys Lord  
**Chief Officer – Finance, Performance and Change**  
 22 February 2022

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**Background documents:**

Letter from Welsh Government Enable Grant Indicative Allocations 21<sup>st</sup> December 2021