

Cabinet
17th January 2022

**POSSIBLE AMENDMENT TO THE
PRIVATE SECTOR RENEWAL POLICY**

Purpose:

To consider amending the Private Sector Renewal Policy to include Disabled Facilities Grants for small and medium adaptations without a means test.

The Welsh Government has requested that Local Authorities use their powers under the Regulatory Reform Order 2002 to make Disabled Facilities Grants (DFGs) for small and medium adaptations available without applying a means test. This report outlines the implications and options for adopting or rejecting this request.

Recommendations / Key Decisions Required:

After careful consideration and appreciating the possible increase in demand the preferred option is Option 4:

Give the applicant a choice of

- proceeding with option 2, with no means test and 10 years repayment conditions attached to a discretionary DFG, or
- to apply for a mandatory DFG and be means tested.

The intention is to carry out a review on the impact of the proposed change after the first 6 months and provide a further report if there are any concerns identified.

Reasons:

Option 4 would meet the request of Welsh Government to provide DFGs for small and medium adaptations without a means test but also enables the Authority to recover the grant on the sale of the property within a 10 year period following completion of the work. The reason for limiting the repayment conditions to 10 years is to reflect the average lifespan of the adaptation.

Relevant scrutiny committee to be consulted NO

Cabinet Decision Required YES

Council Decision Required NO

CABINET MEMBER PORTFOLIO HOLDER: Cllr. Linda Davies Evans, Housing

Directorate: Communities

Designations:

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**EXECUTIVE SUMMARY
CABINET
17TH JANUARY 2022**

POSSIBLE AMENDMENT TO THE PRIVATE SECTOR RENEWAL POLICY

An enquiry for a DFG can be made by disabled person who is the owner of the dwelling or a tenant if the property is rented.

DFGs are available to provide essential adaptations to give the applicant better freedom of movement into and around their home and to access essential facilities within the home. An Occupational Therapist assesses the individual and makes a recommendation for what they consider “necessary and appropriate” to meet the needs of the disabled person.

The mandatory DFG is means tested to calculate if an applicant can afford a contribution towards the cost of the required adaptation. The maximum grant that can be awarded is £36,000.

Attached to the DFG are grant conditions relating to the repayment of the grant if the property is sold with 10 years of the grant being completed (with certain exception). These conditions apply to DFGs that exceed the sum of £5,000 and are registered as Local Land Charge.

Example of repayment if the property is sold:

<u>DFG paid</u>	<u>Amount Repayable</u>
Up to £5000	No repayment
£6000	£1000
£12,000	£7,000
£36,000	£31,000

In 2018 the Wales Audit Office (WAO) published a report on Housing Adaptations which found that to improve the delivery time of DFGs the Welsh Government should review whether DFGs should continue to be means-tested. Subsequently, the Public Accounts Committee undertook an inquiry into the issues raised by the WAO and recommended that the Welsh Government reviewed current approaches to the means test, among other proposed reforms.

The means test for DFGs is required by legislation (with certain exemptions, such as people on particular benefits), with details of how this test must be conducted set out in regulations. Removing the means test from the mandatory DFG process would require new legislation. However, local authorities can already carry out adaptations without requiring a means test using powers granted under the Regulatory Reform Order (2002).

The Welsh Government has issued updated non-statutory guidance to local authorities recommending the removal of the means test for small and medium adaptations.

What is categorised as a small or medium adaptations?

The Welsh Government's Housing Adaptations Service Standards define the type of work involved within each category. The guidance states that, while medium and large adaptations are funded through DFGs and subject to a means test, small adaptations tend to be delivered differently.

Small adaptations in the private sector within Carmarthenshire tend to be delivered through our partners in Carmarthenshire Care and Repair therefore the proposed changes will mainly have implications for the means test for medium grants.

Small

- Grab rails
- Stair rails
- Small ramps
- Accessible taps
- Key safes
- Mop stick handrails
- Outdoor rails
- External / staircase lights
- Additional electrical sockets

Medium

- Walk in showers
- Stair lifts
- Large ramps
- A combination of adaptations installed as one job

Large

- Building an extension to provide a downstairs bedroom and/or bathroom
- Through floor lift
- Significant internal structural modifications e.g. relocate a bathroom or kitchen

Who would be affected from the removal of the means test

Applicants that would benefit from the removal of means testing:

- Low-medium income households with mortgages would benefit if they were assessed to be able to afford a contribution but are unable to afford it in practice. Many have limited savings and the housing costs calculations do not necessarily take actual costs into account.
- Households with high incomes would benefit even though they could afford adaptations without the use of public funds

Applicants that these changes will not affect:

- Low-income households already on means-tested benefit would not benefit as they would be assessed through means test as having a nil contribution for DFGs.
- Disabled adults in need of large adaptations would not benefit as this form of assistance will continue to be means tested.

It is important to note that no applicant would be disadvantaged by these proposed changes.

Applicant's contribution through a means test in previous years

The table below summarises the value of applicants means tested contributions over the last 6 years. Between 10% to 16% of DFGs completed each year have a means tested contribution towards the cost of works with an average contribution of £1,178.48. The yearly average total value of applicant's contributions made over the last 6 years is £32,075.83

6 year Analysis of contributions				
Number of DFGs Completed	Number of DFGs with Contributions	% of DFGs that have contributions	Average value of contribution in a year	Average contribution
1,066	146	14%	£32,075.83	£1,178.48

The above information sets out the known likely additional demand on future budgets. What is not known is how many perspective applicants are currently deterred from applying for a DFG because of the means test. This could be because they know their contribution would exceed the cost of the required works or they do not wish to disclose their financial information. It is likely, therefore, that the annual cost to the Authority of the means test being removed will be higher than the current average of £32K.

Case example

Mr E worked in the financial sector prior to his retirement. Following his retirement Mr E had a stroke which resulted in him requiring home adaptations to enable him to live safely. Due to the nature of Mr E's previous employment and the monthly pension he now receives Mr E did not approach the Authority for assistance as he knew his income would result in a means test contribution that would exceed the cost of the work required. Mr E and his family paid for his home to be adapted to meet his needs themselves.

Impact on the service

The full impact of this proposed changed is unknown, however possible implications are: -

- Increased demand for DFGs resulting in additional Occupational Therapy assessments on top of the significant backlog that we are currently working through.
- Applicants waiting longer for their home to be adapted
- Additional demand on the available budget.
- Further pressure on contractor availability to undertake the required adaptations



In 2005, the means test was removed for works for children and young people and we did not see any significant increase in applications. It should be noted, however, that works for children and young people represent a small proportion of cases (6% of all DFGs completed in 2020/21.)

The impact of this proposed change will be continuously monitored throughout the first year and any increases in enquiries, delay in delivery times or budget pressures will be recorded.

Options to respond to the Welsh Governments request

Option 1

Continue with the current process of only providing adaptations to homeowners through the mandatory Disabled Facilities Grant which includes a means test and not amending the Private Sector Renewal Policy

Option 2

Comply with the Welsh Government's request and offer DFGs without a means test for small and medium adaptations as part of our Renew Policy and apply the 10 years grants conditions already outlined in the Housing Grant Construction and Regeneration Act.

Option 3

Offer DFGs without a means test for small and medium adaptations as part of our Renew Policy and apply lifetime conditions that the grant would be repayable in full on disposal of the property with no exemptions.

Option 4

Give the applicant a choice of:

- proceeding with option 2, with no means test and 10 years repayment conditions attached to a discretionary DFG, or
- to apply for a mandatory DFG and be means tested.

DETAILED REPORT ATTACHED?

NO

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Jonathan Fearn Head of Housing Property and Strategic Projects

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	NONE	YES	NONE	NONE	YES	NONE

Policy, Crime & Disorder and Equalities

The Report sets out the Welsh Government's request for each Local Authority to consider. The policy decision is, however, a matter for the County Council.

Finance

The table below summarises the value of applicants means tested contributions over the last 6 years. Between 10% to 16% of DFGs completed each year have a means tested contribution towards the cost of works with an average contribution of £1,178.48. The yearly average total value of applicant's contributions made over the last 6 years is £32,075.83

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The DFG budget within the Council Fund Capital Programme 2021/22 – 2025/26 is £2m per year.

Staffing Implications

It is likely that removal of the means test would increase the number of DFG applications which would put pressure on existing staff resources. Staff resources would need to be monitored and potentially increased to ensure turnaround times are met if the volume of applications increases beyond expectations.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Jonathan Fearn Head of Housing Property and Strategic Projects

- 1. Scrutiny Committee N/A
- 2. Local Member(s) N/A
- 3. Community / Town Council N/A
- 4. Relevant Partners N/A
- 5. Staff Side Representatives and other Organisations N/A

**CABINET MEMBER PORTFOLIO
HOLDER(S) AWARE / CONSULTED**

Cllr Linda Evans has been consulted and agrees with the recommendations

Section 100D Local Government Act, 1972 – Access to Information List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Wales Audit Office: Housing Adaptations (2018)		https://audit.wales/system/files/publications/housing-adaptations-2018-english.pdf
Welsh Government: Housing Adaptations Standards of Service (2019)		https://gov.wales/sites/default/files/publications/2019-04/housing-adaptations-standards-of-service.pdf
Welsh Government Written Statement: Removing the means test on small and medium Disabled Facilities Grants.		https://gov.wales/written-statement-removing-means-test-small-and-medium-disabled-facilities-grants