

## Annex A

### Accessing the removal of the means test for works costing less than £5000

#### Background

The government is increasing the amount given to Local Authorities significantly in the coming years. In 2016/17 the amount is rising from £220m to £395m reaching £500m in 2019/20. The expectation is that the powers under the RRO will be used to allow authorities to be more flexible in how the money is spent. The DFG monies are now contained within the Better Care Fund (BCF) and it is expected that health priorities will become more important in the way DFG is spent. (Foundations, 2017)

Under the current system all DFGs, apart from those where the disabled person is a child or qualifying young person, are subject to means testing. However, since 2003 local authorities have had the power to apply a much simplified system for provision of adaptations which do not follow all DFG conditions such as waiving means testing for certain types of works or works costing less than a specified amount (e.g. £5,000). The rationale is that the related administrative process of means testing can cost more than the value of a grant for smaller works and result in a significant slowing of the delivery process. This issue is discussed in detail in the DCLG 2011 report, Disabled Facilities Grant allocation methodology and means test. (Good Practice Guide 2013)

#### Examples where the RRO is already in use include

**Somerset**- Where DFG money has been top-sliced to focus on non means tested minor adaptations facilitating discharge and keeping people independent in the home.

**Croydon**- Where a fund has been made available to the HIA allowing them to support anybody coming out of hospital. The cost is fully met by the fund and is not means tested. It can include moving furniture, cleaning the property to ensuring there is adequate heating.

**Wigan**- The CCG has given additional money to the authority to facilitate non means tested adaptations for people being discharged from hospital or at risk of being readmitted.

**Lichfield**- The local authority has approved use of a Home Adaptation grant that can be used in place of a DFG allowing for a quicker less bureaucratic use of DFG monies.

**Cornwall** - Cornwall Home Solutions(CHS) introduced a new form of assistance called the Accessible Homes Assistance to help fast track works up to £5K. There is no means test and the application process is much leaner.

**Scarborough** – The local authority has a range of provision, including non means tested grants up to 5k, Fast Track Grants (non means tested) to aid hospital discharge. Re-allocation grants. Top slicing the DFG fund to widen the scope of works under the DFG to provide more flexibility to support the needs of disabled occupants.

## **How does the existing means test work?**

The means test itself is complex and requires applicants to supply detailed information which needs to then be checked and processed by local authority staff.

The test calculates the average weekly income of the means tested person(s) taking account of any savings above a certain level (which are converted into a tariff income equivalent). Some types of income are disregarded including housing and council tax benefit, disability living allowance and attendance allowance. The income of those on income support, income-based jobseeker's allowance/joint jobseeker's allowance, pension credit guarantee element, housing benefit, council tax benefit, working tax credit with an income below £15,050 or child tax credit with an income below £15,050 is deemed to be nil.

Expenditure needs are assessed by awarding allowances and premiums in respect of each person or couple and any dependent children.

Where the total income of those means-tested exceeds the total expenditure allowances, this surplus amount is used to calculate a notional loan (by applying loan generation factors) which the applicant could afford to raise. This will determine the applicant's contribution to any grant supported works.

Works recommended to support disabled children are not means tested regardless of the income/savings of the parent(s).

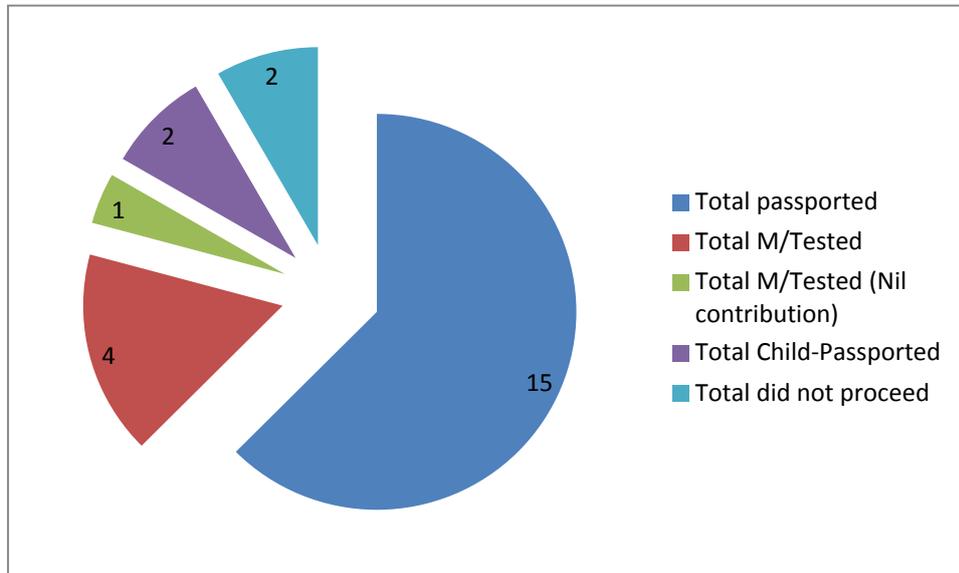
## **Why we should consider changes to the means test**

The means test has been subject to reviews by the DCLG on various occasions. The reviews stressed that the means test and its complexity had contributed to delays in actually delivering disabled facilities grant pointing out that such delays can limit the independence of the disabled person and may add to personal and/or local costs of care. The current system requires considerable staff resources and the costs of these may exceed the amount of grant awarded in many cases; especially as the bulk of grants are for minor works.

Some local authorities have therefore reduced the number of applications that they means test by using their discretionary powers to exempt certain additional groups of people (e.g. registered social landlord tenants) or certain types of works or works costing less than a specified amount (e.g. £5,000) from means testing altogether.

## Analysis of referrals to Ryedale District Council (via the Home Improvement Agency) for Disabled Facilities Grant (between 1 September 2016 and 31<sup>st</sup> January 2017)

### Chart showing referrals received (pass ported and means tested) for Disabled Facilities Grant



Twenty Four referrals were received in total for Ryedale District Council. Of these, seventeen cases were automatically pass ported (either due to the client receiving a pass porting benefit or because the works were recommended for a child)

Five cases were means tested. Of these, one case had a nil contribution, so works proceeded. Four had contributions which exceeded the cost of works meaning that they would receive no grant funding. In one instance the client had £17,000 of savings but lived in a Yorkshire Housing property, so did not feel they should pay for something that wouldn't belong to them.

In all the other instances the clients had insufficient funding in their savings/accounts to cover the cost of the works and were unable to proceed.

Therefore during the last quarter, four residents did not get their adaptations despite being disabled and requiring them, this means that they continue to struggle to access basic essential facilities around their own homes. This is likely to have an effect on their long term health and their ability to remain independent in their own homes. Ultimately, they may therefore be more likely to require additional and unnecessary support from statutory services such as their Local Authority, GPs, A & E, Social Care etc., at a greater expense to the statutory purse in the long run. This goes against the requirements of the Better Care Fund guidance, which requires local authorities to work jointly with health/social services care to deliver a more joined up service.

### Experience of staff dealing with disabled people in relation to means testing

The means test is complex. HIA staff travel across the area to collect financial information to complete the means tests or prove receipt of pass porting benefit.

Supporting evidence has to be provided of all bank accounts/income/pass porting benefit. The evidence needs to be up to date; it often isn't, so officers can make several journeys trying to get the correct information. For the disabled person, particularly where they have little family support this can be distressing; they may have to contact DWP or visit their bank to get the evidence required. Although the HIA staff will assist, due to data protection etc., it is very difficult and time consuming. This causes delays and takes up valuable staffing resources from the HIA.

Looking at disabled people of working age, in a situation where there is a partner, applicants often have a contribution despite the fact that they have very little/no savings at all. The means test takes into account all income and savings, but does not look at specific/real housing costs and outgoings. Often applicants of a working age still have mortgages and are supporting a young family, so have little or no savings and their monthly income only just covers their outgoings.

For older/retired people it is hard to replace limited savings so they can be reluctant to use these to cover the cost of an adaptation, preferring keep their funds for emergencies, i.e. car repairs, washing machines, house maintenance etc.

Sometimes tenants have means tested contributions. Not surprisingly, they are often reluctant to spend their own savings on a property that they don't own. Landlords are asked to contribute and will on occasion cover small contributions.

Where disabled people are unable to find the funds to cover their contributions, they will continue to struggle to remain independent. So for example, instead of having a shower installed, they will have to strip wash, instead of a ramp being installed to give access in/out of their property they will become confined within the property and become reliant on others for support, instead of having a stair lift, they will be confined to the ground floor of their property utilising a commode. The overall loss of independence affects not only their physical but mental well-being.

Removing the means test for works valued up to £5000 (ramps, showers, stair lifts) would have allowed the four referrals above to proceed giving the disabled occupant access to their basic amenities.

**Addressing concerns that removing the means test for small works in Ryedale, will allow people who are able to fund to receive adaptations at no cost.**

It is hard to estimate how many disabled people will come to us that would have previously not come through, as they may have felt that they would fail a mean test or didn't want to share their financial information. However, of the referrals received in the last quarter it shows that only 16% of referrals had a means tested contribution and on analysis of those it could be argued that these disabled people were not particularly wealthy.

If the changes are adopted in Ryedale there may be concerns that very wealthy people will get adaptations at no cost. It is difficult to advise on the likelihood of this, however from the HIAs experience it is felt unlikely. This is mainly due to the ability of the grant to meet the desires of someone with high levels of income/savings. The adaptations carried out are of a basic standard and not necessarily what you would chose if you had the funds to arrange your own works. Also the route of referral

means that applicants have to go through a full Occupational Therapy assessment to be referred for a grant; this in itself is likely to deter this client group. There may be an odd client who wishes to take advantage of the scheme; however we should remember that any client wishing to do so must have a level of disability that requires such as adaptation.

Focusing on the majority client group may be a more helpful approach, adopting a non means tested grant for works up to £5000 and fast track works means that disabled people will get access to essential facilities much quicker than before. It will also save the HIA time in staffing resources and help Ryedale DC to fully utilise their DFG budget. Proving a need for the level of allocation in the area and meeting the objectives of the Better Care Fund whilst supporting the partner organisations in Health and Social Care. For example, enabling people to stay in their own homes for longer, can generate substantial financial savings in residential care costs which can be in the region £29,000 per annum. People can also fall whilst waiting for adaptations. The average cost to the State of a fractured hip is around £30,000. This is more than 6 times the cost of a major housing adaptation such as a wet floor shower or ramp.

## **References**

Communities and Local Government 2011 *Disabled Facilities Grant allocation methodology and means test: Final report* DCLG London

Home Adaptations for Disabled People

A detailed guide to related legislation, guidance and good practice, Home Adaptations Consortium, 2013

Foundations UK, 2017