

# The Disabled Facilities Grant Means Test

Disabled facilities grants are means tested but there is no means test if the works are for the benefit of a disabled child or qualifying young person.

**The means-test** is applied to the disabled person, their partner, if they have one, and any dependent children. This is so even if the disabled person is not the grant applicant. For example, if a disabled person lives with their son in their son's house it is their son who would normally be the "applicant" for the grant as it is his property that is being adapted. However, the means-test will be applied to the mother, with the son not being involved in the means-test in any way.

The means-test was originally based on that for Housing Benefit, but there are a number of important differences.

If the disabled person is in receipt of a range of means-tested benefits then they are "passported" to a full grant and will not have to make any contribution. These benefits are:

- universal credit (regardless of income)
- income-related employment and support allowance (ESA)
- income support
- income-based jobseeker's allowance
- guarantee pension credit
- housing benefit
- Council tax reduction (in Wales only)
- working tax credit or child tax credit (where annual income for the purposes of assessing tax credit entitlement is less than £15,050)

- ❖ There are no non-dependant deductions.
- ❖ There is an extra premium (the 'housing allowance', sometimes called the 'grant premium') designed to reflect housing costs, currently £61.30. This is added to the total applicable amount for every grant application. It means that in some cases those who are not in receipt of a passporting benefit may nevertheless have no assessed contribution to the works.
- ❖ There is no capital "cut-off". The first £6,000 of capital is disregarded. Weekly tariff income is assumed on capital over £6,000, at £1 for each £250 or part thereof for those under 60 and at £1 for each £500 or part thereof where the disabled person or their partner are over 60.
- ❖ Some regulations, including provisions relating to the disability premium and the rate of tariff income from savings, refer specifically to being 60 years old rather than state pension age.
- ❖ There is a system of stepped tapers on "excess income" which results in a lump-sum contribution to the cost of the works
- ❖ Personal allowances and premiums and the taper system used to calculate the lump-sum contribution have not been updated or altered since 2008.
- ❖ Working tax credit and child tax credit are disregarded as income.

## Working out the contribution

The test of resources is designed to calculate how much, if anything, the disabled person should contribute towards the cost of the works. It is done by calculating the value of a notional loan that could be taken out using a proportion of the “excess income” to repay it. As it is assumed that an owner-occupier could borrow the money by increasing their mortgage, whilst a tenant would have to take out a more expensive unsecured loan, owner-occupiers are expected to contribute more than tenants where their circumstances are otherwise identical. If someone has no excess income, their contribution will be zero. The higher the amount of excess income, the higher the proportion expected to be used towards repaying the notional loan. The calculation is as follows:

### Step 1: Work out capital

The disabled person’s capital, together with their partner’s, is taken into account. Certain types of capital are disregarded. The rules are similar to those for Housing Benefit. However, the capital value of the dwelling to which the application relates is disregarded whether or not the disabled person currently lives there. The first £6,000 of capital is ignored. Tariff income of £1 per £250 (or part thereof) over £6,000 is assumed if the relevant person is aged under 60, and £1 per £500 (or part thereof) if the relevant person is 60 or over.

### Step 2: Work out income

The earnings and other income of the disabled person and any partner are based on their income over the 12 months before their application or a shorter period if that gives a more accurate figure.

### Step 3: Work out the applicable amount

This represents the weekly living needs of the disabled person and their partner and children (if any). Add on the grant premium (see above).

### Step 4: Work out the excess income

If income is less than or equal to the applicable amount, there is no excess income and there will be no contribution to the works. If income is greater than the applicable amount, the excess income is the difference between the two figures.

### Step 5: Work out contribution

Excess income is apportioned into a maximum of four bands and multiplied by the relevant “loan generation factor(s)” The bands and multipliers are shown below.

Loan generation factors	owner occupiers	tenants
Band 1: First £47.95	18.85	11.04
Band 2: £47.96 to £95.90	37.69	22.09
Band 3: £95.91 to £191.80	150.77	88.34
Band 4: £191.81 or more	376.93	220.86

The aggregate of Bands 1-4 is the value of the notional loan the relevant person is expected to contribute towards the cost of the works.

**Example:** An applicant who is an owner occupier with an excess income of £100 would calculate their contribution as follows:

Band 1: £47.95	x 18.85 =	£903.86
Band 2: £47.95	x 37.69 =	£1,807.24
Band 3: £4.10	x 150.77 =	£618.16
<i>Applicant's contribution</i>		<i>£3,329.26</i>

The applicant's contribution would therefore be £3,329.26. If the total cost of the works were £11,000 the grant would be calculated as follows:

Total cost of works	£11,000.00
Less applicant's contribution	£3,329.26
<i>Grant amount</i>	<i>£7,670.74</i>

### **Subsequent grants**

If a disabled person has had to make a contribution to a previous grant on the same dwelling (in the last ten years for owner occupiers or five years for tenants), the value of that contribution is deducted from the assessed contribution on a subsequent grant application. The works under the first grant must have been carried out to the local authority's satisfaction for this "offset" to apply. If the contribution on the earlier grant was more than the cost of the works, the value of the works properly carried out can be offset against a subsequent grant contribution.

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