

EXPLANATORY MEMORANDUM TO
THE HOUSING RENEWALS GRANTS (AMENDMENT) (ENGLAND) REGULATIONS
2008

2008 No. 1190

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government (“the Department”) and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 This instrument makes changes to the means test for disabled facilities grant which is set out in the Housing Renewal Grants Regulations 1996 (S.I. 1996/2890) (“the 1996 Regulations”) as amended and modified by the Housing Renewal Grants (Amendment) (England) Regulations 2005 (“the 2005 Regulations”).

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 Regulation 5(2)(d) and (e) of this instrument corrects the drafting error made by the Housing Renewals Grants (Amendment) (England) Regulations 2005 (S.I. 2005/3323) which was reported in the Joint Committee’s 16th report of the 2005/6 session.

3.2 The Department notes that the 1996 Regulations have been subject to much amendment over the years. Further changes are proposed for implementation at the end of this year. When these changes are made the Department intends to repeal the 1996 Regulations and the 2005 Regulations and to make consolidation regulations.

4. Legislative Background

4.1 The Housing Grants, Construction and Regeneration Act 1996 (“the 1996 Act”) introduced various forms of grant for improvement of housing stock, including grants to provide better facilities for disabled occupants (“disabled facilities grant”). Following extensive amendments made to the 1996 Act by the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (S.I. 2002/1860), disabled facilities grant is the only form of grant which now remains available.

4.2 Section 30 of the 1996 Act gives the Secretary of State in England power to make regulations, with the consent of the Treasury, setting out the means testing regime to be applied in the case of an application for a disabled facilities grant. The means test regime is set out in the 1996 Regulations. Regulations may, in particular make provision for account to be taken of the income, assets, needs and outgoings of the applicant, his spouse or civil partner, any person living with him or intending to live with him and any person on whom he is dependent or who is dependent on him. They may also make provision for amounts specified in or determined under the regulations to be taken into account for particular purposes.

5. Territorial Extent and Application

5.1 This instrument applies to England.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The increases in allowances and premiums are a routine change which takes into account the changes in costs and prices since the last update made by the 2005 Regulations.

7.2 The Department's principal objective is to simplify and speed up the disabled facilities grant application process. Applicants who receive council tax benefit, housing benefit or working tax or child tax credits and who are on a low income (under £15,050 per year) will no longer be required to provide any other financial information for the purpose of assessing eligibility for grant. Additionally, working tax credit and child tax credit received by an applicant on a low income will no longer be counted as income for the purpose of assessing eligibility. These changes will directly help working families on low incomes with children, by speeding up the process and reducing bureaucracy.

7.3 Consultation on these changes was carried out in Spring 2007. The respondents to the consultation were predominantly local housing authorities. The consultation was considering the most appropriate way of simplifying the means test. The Department proposed four possible options, but it was not proposed that all of the options would be implemented. Based on the options put forward 98% of respondents were in favour of adjusting the means test by implementing at least one of the options. 47% supported extending the number of benefits that would enable a disabled facilities grant applicant to be passported through for maximum assistance, and 12% supported disregarding tax credits as income. The two other proposals consulted on were to disregard the first element of earned income (11% support) and to allow average or actual housing costs to be taken into consideration (30% support).

7.4 One of the main criticisms of the means test has been the complicated nature of the test. The two proposals that are being implemented represent the simplest way of improving the means test. The Department recognises that the means test is in need of more fundamental reform and work on this will be carried out over the next 18 months.

7.5 These changes are part of a wider package of proposals to modernise the programme. The Disabled Facilities Grants (Maximum Amounts and Additional Purposes (England) Order 2008 (S.I. No 2008/1189) (for which there is a separate Explanatory Memorandum) is made simultaneously with these Regulations and implements another part of the package.

7.6 Further information on the programme review, consultation and package of change can be found on the Department's website at:

<http://www.communities.gov.uk/housing/housingmanagementcare/housingadaptations/>

8. Impact

8.1 An impact assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8.2 The impact on the public sector is estimated to be £5.25 million.

9. Contact

9.1 Dylan Grimes at the Department for Communities and Local Government Tel: 020 7944 6544 or e-mail: Dylan.Grimes@communities.gsi.gov.uk can answer any queries regarding the instrument.