

MEANS TESTING FOR DISABLED FACILITIES GRANTS

To make sure that the grant goes to the people who need it most, the amount of grant awarded is decided by conducting a Test of Resources (Means Test). This is carried out in accordance with regulations laid down by the government. The test of resources is used to assess the level of a client's contribution towards the cost of eligible works and is based on a formula calculating a notional level of need (the amount the government says you need to live on each week) compared to the relevant person's income and capital.

Who is subject to the test of resources?

The disabled occupant who requires the adaptation and, if any, the disabled occupant's partner. If the adaptations are for a child or young person under 19 who is in full time education (up to "A" level standard or equivalent) there is no means test for the parents. However if you are in receipt of one of the following income-related benefits you will NOT have a contribution towards the grant:-

- Income Support
- Housing Benefit
- Guaranteed Pension Credit
- Income-Based Job-Seekers Allowance
- Working Tax Credit with an annual income of less than £15,050
- Child Tax Credit with an annual income of less than £15,050
- Income Related Employment and Support Allowance
- Universal Credit

If you are not in receipt of one of the above benefits, please find below a brief explanation of how a contribution is calculated:-

How a person's needs are calculated (the notional amount you need to live on each week)

The notional level of need is referred to as the "**applicable amount**", and this is made up of set personal allowances and premiums, depending on age, whether single or a couple, the number of dependent children under 19, the rate of Disability Living Allowance etc. This does not take into account regional variations in housing costs or mortgage payments.

Below are some examples of Personal Allowances

Single person aged – less than 25	£47.95
Single person aged - not less than 25	£60.50

Couple where at least one member is aged Not less than 18	£94.95
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Pensioner Premium for those who have not reached the qualifying age for state pension credit

Single person aged not less than 60	£63.55
Couple where at least one is aged not less than 60	£94.40

For those that have reached the qualifying age for state pension credit

Single person aged 60 – 64	£124.05
Single person aged 65 or over	£143.80

Couple aged 60 to 64	£189.35
Couple aged 65 or over	£215.50

Below are some examples of premiums

At least one child	£16.75
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Disability premiums for those not having reached the qualifying age for state pension credit

Single person	£25.85
Couple	£36.85

Everyone receives an additional premium called the Housing allowance; currently this is £61.30

Using the figures above a couple who are both 76 years old could have the following applicable amount:-

Housing Allowance	£61.30
Pensioner Premium	<u>£215.50</u>
	£276.80

Please note that this is not a complete list and is for general guidance only.

How a person’s income and capital are determined

The weekly income of the disabled person and their partner is taken into account. This includes net earnings from employment, pensions, benefits, rental income, maintenance etc. Disability Living Allowance and Attendance Allowance are not counted as income.

Capital over £6000 is treated as a weekly tariff income. £1 for each £250 or part of £250 in excess of £6000 is added to their overall income for the week. E.g. if you have savings of £7500, of that amount £1500 will be used in the calculation and will result in £6 added to the weekly income - $£1500 \div £250 = £6$.

For those over 60 years of age the weekly tariff income is £1 for each £500 or part £500 in excess of £6000.

How to calculate a grant contribution

The “applicable amount” is subtracted from the total income. Where the income does not exceed the applicable amount the grant will be 100% of the cost of the works. Where the income exceeds the applicable amount, this figure is used to calculate a “notional” loan that the applicant could raise from the excess income, and this figure will be the client contribution. The notional loan is calculated, using stepped scale by applying different multiplying factors for each proportion of income over the applicable amount and depending on the client’s tenure. A worked example using two adults aged 76 is shown below;

State Pensions per week	£240.00
Private pensions per week	£ 61.80
Savings weekly tariff income	<u>£ 10.00</u>
Total income	£311.80

A couple’s applicable amount is £276.80

Therefore the excess income would be £35.00

LOAN GENERATION FACTORS

Excess income	Owner-Occupiers	Tenants
£47.95 or less	£18.85	£11.04
The next £47.95	£37.69	£22.09
The next £95.90	£150.77	£88.34
All remaining income	£376.93	£220.86

If you are an owner and your income exceeds the applicable amount by £35.00

£35.00 x £18.85 = £659.75, which would be the contribution towards the works.

If you are a tenant and your income exceeds the applicable amount by £35.00

£35.00 x £11.04 = £ 529.37 which would be the contribution towards the works

The assessment could include further additional premiums or allowances and only when full evidence of income and savings is provided to the Council can an accurate assessment be carried out.

If you have any queries you should contact the Private Sector Grants Team at Boston Borough Council