

Private Sector Unit – Housing Directorate

Regulatory Appraisal – The Housing Renewal Grants (Amendment) (Wales) Regulations 2004

Purpose and intended effect

1. The purpose of these regulations is to introduce annual revisions to the Housing Renewal Grants Regulations. In line with annual changes there is a need for the Assembly to amend the regulations covering the test of resources for disabled facilities grants (DFG) to take account of the uprating of allowances and premiums and any relevant changes to the Housing Benefit regulations during the year. These regulations will specify allowances and premiums used in the test of resources for disabled facilities grants.

2. The powers enabling these regulations to be made are contained within the Housing Grants, Construction and Regeneration Act 1996. These have been transferred to the Assembly and have been delegated to the Minister for Social Justice and Regeneration.

Risk Assessment

3. These provide a solid safeguard for disabled people and other affected parties who require adaptation work to their homes. If these regulations are not brought into force as soon as possible there will be direct implications for such individuals, local authorities, other bodies such as Care & Repair agencies, the Citizens Advice Bureau, Ferret Information Systems and Disability Wales, organisations which all have an interest in the administration of the DFG process. Further delay in introducing these instruments would mean that grant applicants in Wales are disadvantaged compared to their counterparts in England. The regulations were introduced by ODPM in England on 29 October. It is envisaged that there will be approximately 5000 applicants a year for DFGs in Wales with a value of around £30 million based on previous grant levels published in Welsh Housing Statistics 2002.

Options

4. There are two short term options:

- (i) Do nothing for now – and risk disadvantaging disabled applicants for DFGs in Wales. This would also risk bad publicity for the Assembly in terms of not being seen to have the interests of disabled people as a primary consideration.
- (ii) Adopt the regulations – this would bring benefits to all stakeholders not least those who will benefit from being able to have access to adaptations to enable them to continue to live in their homes in comfort and security. It would also ensure that they are not disadvantaged compared with disabled people in England.

Benefits

5. Applicants for DFGs will benefit from the increase in allowances and the inclusion of Working Tax Credit in the means test.

Costs

6. Under the regulations any costs and financial implications for the National Assembly in making these regulations will be met by expenditure incurred by local authorities in relation to the dispensing of grants from existing provision and will fall within their annual budget allocation. Resources for these grants are unhypothecated and are contained within local authority General Capital Funding (GCF).

7. Additional costs are difficult to quantify but are highly unlikely to be significant given that authorities already incur costs in respect of the existing provision of grants. The change to the regulations will marginally increase the value of individual grants. Those disabled people in greatest need will benefit from the higher allowance in the test of resources.

8. The only costs to the Assembly of implementing these regulations will be in respect of supplying hard copies of the Statutory Instrument to local authorities and other educational bodies. This is likely to be in the region of £200 and will be accommodated within existing budgets held by the Housing Directorate.

Consultation

With Stakeholders

- These regulations are keenly expected annually by all local authorities and other organisations involved in the administration of the DFG system. Consequently formal consultation is not appropriate in this case.

With Subject Committee

- The subject Committee has been kept informed of the progress of these regulations in the Ministers list of forthcoming legislation since the beginning of this financial year, these instruments have not been identified for formal scrutiny. The regulations have featured in the Minister's report on forthcoming secondary legislation in each Social Justice and Regeneration Committee meeting since May 2003. The coming into force dates have been regularly updated.

Review

9. These regulations are updated annually in line with the Gross Domestic Product (GDP) Deflator formula, which is linked to other housing benefit allowances and the predicted annual rate of inflation.

Summary

10. The Assembly has a statutory responsibility to make these regulations and must do so. The grants are a mandatory entitlement and the revision of the means test associated with the provision of these grants is expected by local authorities each year.