

Date: Wednesday, 28 January 2015

Time: 2.30 pm

Venue: Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

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## PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE

### TO FOLLOW REPORT (S)

#### **9 Discretionary Housing Payments [DHP] Update. The Review of DHP Policy and Administration (Pages 1 - 46)**

A presentation will be made to provide an update on Discretionary Housing Payments and the review of DHP Policy and administration. A briefing note is attached, marked 9.

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<u>Committee and date</u>
Performance Management Scrutiny Committee 28 January 2015

<u>Item No</u>
<b>9</b>
Public

## **Discretionary Housing Payments update – The review of DHP policy and administration for the [DHP] Task and Finish Group**

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### **1. Summary**

- 1.1 The Discretionary Housing Payments (DHP) Task and Finish Group, set up in 2014, focussed attention on the Shropshire approach to the administration of DHPs and whether this could be improved both to meet the needs of the tenants at whom the scheme is aimed and whether maximum use is made of the fund allocated to Shropshire by Central Government.
- 1.2 The Group requested that Cabinet agree a review of the DHP Policy taking into consideration the Group's recommendations as detailed in their report. Further, that the Policy then go before Cabinet again on 10 December for approval prior to formal consultation.
- 1.3 Subsequent to this, and with the announcement from the Department for Work and Pensions that the Universal Credit was to commence roll out in Shropshire from April 2015, it was decided that the Policy should await referral to February Cabinet in order that the potential implications of this further and significant strand of welfare reform upon the delivery of DHP awards could be considered and incorporated.

### **2. Recommendations of the Task & Finish Group**

- 2.1 The recommendations made by the T&F group for consideration were that:
  1. **The Group is concerned it is unable to evidence original approval of the scheme and that it may be timely for Council to re-approve the policy with a particular clarification of the Council's objectives for the use of DHPs.**

2. Given the impact of Welfare Reform and other pressures the Group acknowledges the importance of DHPs and the support it can provide to tenants at a time of change.
3. The Group believes it is important to ensure the use of Shropshire's allocation is maximised to support the need of Shropshire tenants.
4. The statistics on grant and refusals of awards are provided for the DWP which do not give a full picture of the scheme's operation. The Group feel a local set of indicators would be beneficial in understanding its operation and outcomes.
5. The Group supports the introduction of the revised process from 1<sup>st</sup> June as a more flexible, simplified approach. It suggests that its impact be reviewed in 6 months' time by the Task & Finish Group.
6. Given the commentary within the report, the Group believes that at the present time DLA should not be excluded from the calculation but this should form a key aspect of the 6 month review referred to in recommendation 5 to ensure the needs of disabled tenants are being met.
7. Whilst most applications are from social housing tenants, the scheme also applies to tenants in the private rented sector. Though engagement has proved difficult, the Group believes that attempts should be made to better support private rented tenants through the use of DHPs.
8. The Group had discussion about tenant's awareness of DHPs. Though obviously Support Workers and others are well versed in DHPs the Group felt there should be a greater awareness by tenants of DHPs and their purpose.
9. It is clear that many applications relate to the impact of the Spare Room Subsidy. Whilst a number of people have been assisted to downsize to more appropriate accommodation, it is clear there is a shortage of such accommodation. Though perhaps outside the scope of our consideration, the Group strongly believe that future development of social rented housing needs to take account of this shortfall and development programmes need to allow for increasing the availability of one and two bedroom properties. Whilst it is possible that the future policy framework could change, the Group feel that this is an area worthy of further consideration by Scrutiny.

### **3. Risk assessment and opportunities appraisal**

- 3.1 The funding for DHP is provided to Local Authorities by the Department for Work and Pensions on a yearly basis. The funding allocation is

finite with the understanding that should the allocation be exceeded any excess will be met from an Authority's own funds. The figure for the following financial year is usually announced in December or early January however at the time of writing there has been no such announcement from the DWP in respect of the 2015/2016 financial year.

- 3.2 There is a necessary balance to be struck therefore between using the available funds to the maximum extent and exceeding the figure allocated by DWP. The revised decision making practices within the policy together with the adoption of different ways of working with partner agencies attempt to strike this balance in a fair and considered way.
- 3.3 The administering system gives no opportunity to collect statistics around the different "client groups" that make applications to the fund. We cannot therefore accurately state the effect on spending should the assessment of available disposable income be altered to exclude disability related income. In studying particular cases however, the effect of ignoring this income as opposed to including it as available can be profound. In one case, the amount of available disposable income that would fall to be ignored by way of disability-related benefits was in excess of £270 per week. As a result of such a calculation, it is likely that a full award of DHP would be given.
- 3.4 Administratively, closer working with appropriate delivery partners, particularly Housing Associations, in a much more collaborative way and promotion of the scheme via the same partners, targets knowledge of the scheme where we believe those most likely to benefit from it will make contact. Since the introduction of these practices we have seen an increase in the number of DHP awards made. Collaborative working in this way also allows the opportunity to investigate any wider issues and underlying causes behind the applicant's request. Offering or arranging alternative solutions with the appropriate support to achieve these ensures that any awards considered become part of a wider support mechanism in keeping with the recommendation that awards of DHP are a temporary solution in most cases.
- 3.5 An equality impact needs assessment has been completed and is attached to this report. The intention is to recommend to Cabinet that a period of public consultation takes place and that VCSA members together with other key partner organisations, are clearly invited to comment on the suggested proposals.

#### **4. Financial implications**

- 4.1 As stated above, the DHP funding is allocated by central government with the 2014/2015 allocation being £383, 819. There has been no announcement as yet of the level of funding allocation for 2015/16.

As at 20 January 2015, the amount of money spend and already committed to spend £254,483 and at the current rate of application we expect to spend around £302,322 by the end of the year, this represents a considerable increase over the amount spent during 2013/2014 which stood at £214,164.

- 4.2 Based on this year's expected outgoings, an increase in spending of around 27% would result in a deficit in the fund.

## 5. Findings

- 5.1 In the light of these findings, the administering Officers have undertaken a review of the scheme and incorporated changes into the supporting administrative practices.
- 5.2 The new draft DHP policy considers both the latest legal and advice framework provided by the guidance published by the Department for Work and Pensions (DWP) and also the new working practices adopted subsequent to the Task and Finish Group report. The administering team has also critically considered when drafting the revised policy, the potential implications and financial impact that would result from excluding Disability Living Allowance when assessing a person's available disposable income.
- 5.3 The draft policy will go before Cabinet on 11 February where Members will be requested to grant permission for a period of public consultation to commence.
- 5.4 The consultation exercise will ask the VCSA and other partner organisations and agencies, such as the local Registered Social Housing providers, to provide opinion on the Policy's key points. A specific inclusion will be to ask that partners comment on whether disability-related\* income should be included in the income and expenditure assessment when considering awards.
- 5.5 The future pressures around delivery of this Policy remain an unknown however the rollout of Universal Credit (UC) and the financial issues for citizens that may result from the major changes that this new benefit brings about could be significant.
- 5.6 In addition to this is the potential for increased pressures upon Registered Social Landlords that could result from tenants having the housing element of a Universal Credit award, which includes the award for their eligible rent, paid to them as opposed to the current arrangement of payment direct to the landlord. There is the potential for further pressure being brought to bear on this fund should there be disruption in what has become the normal route for receipt of rent.
- 5.7 We are experiencing a marked increase in the number of Social Housing tenants requesting rent in advance payments from the DHP

fund. We conclude that this is due to landlords preparing for Universal Credit which will see payment of benefit made monthly in arrears so ensuring that tenants commence their tenancies with minimal arrears from the onset.

## 6. Additional recommendations

- 6.1 The policy being scheduled to go to cabinet and then on to consultation raises the opportunity to share these latest developments with the committee with a view of seeking their further input towards the future development and direction of this work area.
- 6.2 In particular the committee is asked to consider the necessity of reconvening the Task and Finish group with a view to progressing the development of a response to the consultation for the scrutiny committee to submit thus affording the committee continuing involvement in the influence of policy and strategy development via this channel.

<b>Background Papers</b>
<b>Cabinet Member/s</b> Portfolio Holder for Resources, Finance and Support <ul style="list-style-type: none"><li>• Councillor M Owen</li></ul>
<b>Local Member/s</b> All
<b>Appendices</b> Appendix A – New Draft DHP policy Appendix B – ESIIA for the DHP policy Appendix C – Report of the Task and Finish Group

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# DISCRETIONARY HOUSING PAYMENTS

Shropshire Council's policy with regard to the administration  
and award of Discretionary Housing Payments

POLICY

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# Background

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Discretionary Housing Payments (DHPs) are supported by the Discretionary Financial Assistance Regulations 2001 (SI 2011 No.1167) and Child Support, Pensions and Social Security Act 2000.

Discretionary Housing Payments are not payments of benefit. They are discretionary payments additional to any statutory provision by way of Housing Benefit. They can be awarded when a local authority considers that a customer needs further financial assistance towards housing costs. The legislation allows broad discretion in considering DHP's however, local decision making staff are guided by procedures to ensure that consistency of approach and good principles of decision making are followed throughout. This ensures that we are acting fairly, reasonably and consistently.

Housing costs are not defined in the regulations. This gives the council broad discretion to interpret the term. In general, housing costs means rental liability; however, housing costs can be interpreted more widely to include:

- rent in advance;
- deposits; and
- other lump sum costs associated with a housing need (such as removal costs).

DHP payments are intended to alleviate severe hardship for those in financial difficulty providing certain criteria are met:

- The person is entitled to Housing Benefit (HB) or Universal Credit (UC) if it includes a housing element towards rent liability
- There must be a shortfall between the Housing Benefit and the eligible rent that the person is unable to meet from their own means.
- The amount awarded can cover all or part of the rent shortfall but it cannot be more than the eligible rent for the property when added to the Housing Benefit award. Alternatively, the award can be used to assist with the cost of taking up a tenancy.

The Department for Work & Pensions (DWP) guidance on DHP's is to the effect that they form part of a support mechanism of help for those most affected by the impact of welfare reforms. These are particularly around the introduction of the benefit cap; the introduction of size criteria for property in the social rented sector and reductions in the local housing allowance which determines private sector rent allowances. Additionally, DHP's can be made to compensate for other Housing Benefit shortfalls including deductions made for non-dependents in the household, Rent Officer restrictions and shortfalls due to income tapers.

DHP's cannot be made in respect of the following:

- Ineligible service charges on a property

- Increases in rent due to assimilation of arrears
- Certain sanctions (penalties) or reductions imposed on a person's benefits
- To cover the recovery of Housing Benefit overpayments

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# Policy

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## Introduction

The DWP allocate a fund each year specifically for DHP awards, this is cash limited with any unspent funds being returned to DWP at the year end.

By working closely with our partner organisations, particularly the Housing Associations and support workers and by looking holistically at the range of solutions and alternatives available to residents we are confident that all of the fund will be used to help Shropshire's most vulnerable citizens often at very critical moments in their lives.

- The 2013/2014 allocation of funds to Shropshire Council was £277,475
- The 2014/2015 allocation of funds to Shropshire Council is £383,819

The council cannot award any more DHP's if we have met our overall cash limit. The cash limit is two and a half times the government contribution. The legislation that specifies the overall limit on expenditure, is Article 7 of the Discretionary Housing Payment (Grants) Order 2001. Any unspent DHP funding will be returned to the DWP at the end of the financial year.

## Policy Aims

The Department for Work & Pensions define the policy aim of DHP's as being:

- To help secure and move to alternative accommodation (e.g. rent deposit)
- To help with short-term rental costs until the claimant is able to secure and move to alternative accommodation
- To help with short-term rental costs while the claimant seeks employment
- To help with on-going rental costs for disabled person in adapted accommodation
- To help with on-going rental costs for foster carer
- To help with short-term rental costs for any other reason

Shropshire Council's policy will contribute to the following corporate priorities and outcomes:

PRIORITIES	
<b>Growing</b>	Help to manage our environment (in a way that helps Shropshire to thrive)
<b>Protecting</b>	Strive to keep people from harm (in a way that doesn't compromise their choices)
<b>Helping</b>	Help people, communities and businesses to help themselves (in a way that helps them to make the most of the choices available to them)

OUTCOMES	
<b>Your Money</b>	Feel financially secure and to believe in a positive future for myself and my family
<b>Your Health</b>	Live a long, enjoyable and healthy life
<b>Your Life</b>	Feel valued as an individual and to live my life, with my choices respected and with as few compromises as possible
<b>Your Environment</b>	Live in an attractive, vibrant and safe environment, in a place that is right for me
<b>Your Council</b>	Feel confident that the council is doing the right things with my money and that my needs are at the centre of any decisions taken about my life

*(Shropshire Council Business Plan and Financial Strategy 2014-2017)*

The policy will contribute to these outcomes by providing help to the most vulnerable residents that will enable them, as part of a wider programme of support, to maintain themselves in affordable housing. We will deliver this within the limits of the available funding.

## Policy objectives

The DHP policy will be administered as part of a wider scheme of help and support with the express aim of contributing to:

- alleviating poverty
- encouraging and sustaining people in employment
- tenancy sustainment and homelessness prevention
- safeguarding residents in their own homes
- helping those who are trying to help themselves
- keeping families together
- providing stability for children
- preventing homelessness for those at risk of losing their home
- supporting domestic violence victims who are trying to move to a place of safety
- supporting the vulnerable or the elderly in the local community
- helping claimants through personal and difficult events
- supporting young people in the transition to adult life, or
- promoting good educational outcomes for children and young people
- supporting the work of foster carers
- supporting disabled people remain in adapted properties
- supporting care leavers

*(Source: Gov.UK, Department for Work & Pensions DHP Guidance Manual April 2014.)*

For example, we may use a DHP award to assist a person with disabilities to remain in a suitable property or to allow a person experiencing challenging life issues to do likewise whilst they work with a wider range of support services to address these issues.

We may provide the deposit for housing that allows a homeless person the sound foundation from which to rebuild their future stability.

In some cases, time limited awards may be made with the expectation of the customer taking proactive steps to address their life issues and choices or to actively seek alternatives where these exist.

We will consider helping people who want to move but whose HB award has been restricted due to one the welfare reforms.

### The types of shortfall that DHPs can cover

- reductions in HB or UC where the benefit cap has been applied;
- reductions in HB or UC following the removal of spare room subsidy in the social rented sector;
- reductions in HB or UC as a result of local housing allowance restrictions;
- rent officer restrictions such as local reference rent or shared room rate;
- non-dependant deductions in HB or housing cost contributions in UC;
- rent shortfalls to prevent a household becoming homeless whilst the housing authority explores alternative options;
- reductions due to income tapers.

## The claiming process

### Making an application for DHP

In order to be considered for an award of DHP, an application must be made to the Council. The application form is available on the council's website on <http://www.shropshire.gov.uk/benefits/discretionary-housing-payments/>

A claim can be accepted from the person entitled to Housing Benefit, but we will accept claims from someone acting on behalf of the person concerned where it appears reasonable to do so in the circumstances.

Applications may need to be supported by information from housing providers or other support workers to confirm that alternative housing options are not available / suitable. The claim must be supported by such information as is necessary to determine the claim, such as details of income, capital and expenditure. Requests for a discretionary payment can be made in the following ways:

- In writing
- By telephone
- Or by any other methods (such as electronic means)

Each claim will be considered individually based on the evidence provided to support the application. We will however expect to act with consistency whilst using our discretion to provide support to the most vulnerable citizens in Shropshire.

We will ask the customer whether they have a support worker to help them, if so we will liaise with the support worker to gather further information with which to consider the request for an award of DHP. This will allow us to make fully informed decisions that are fair and reasonable for the customer, especially where there are mental health considerations. All requests will be considered on an individual basis with due account given to the vulnerability and personal circumstances of each customer. An individual's personal circumstances, the amount requested and the importance of the need within the circumstances will form the basis for the prioritisation of awards.

### Evidence

Before we can grant a DHP we will request details from the customer to confirm the following: -

- The reason a DHP is required
- The current income and expenditure of the household. This may include:
  - Does the customer have other debt to pay?
  - Have they sought advice to clear their debt?
  - Can the customer renegotiate non priority debts?



- Entitlement to other benefits that are not being claimed or maximised
- Any income or capital that is disregarded (taking into account its intended use)
- Spending on non-essential items
- Could the rent be afforded when the customer first moved in?
- Is anyone else willing to pay the shortfall?
- Can any non-dependants make a contribution to the shortfall?
- Can they take steps to reduce their spending on non-essential items?
- Can the customer increase their hours or do any overtime?
- Any steps the customer has taken to try and resolve their financial situation? Such as:
  - Has the customer requested the landlord to reduce the rent and what was the landlord's response?
  - Could we speak to the landlord to negotiate a lower rent?
  - Did the customer enquire about the level of HB before they took the tenancy? If yes, what advice were they given?
  - Did customer have a pre-tenancy determination?
  - Has the customer taken long-term action to help their problems in meeting their housing costs
  - Reducing their spending on non-essential items
  - Has the customer managed to increase their hours or do any overtime?
  - Have they tried to re-negotiate or consolidate their debts?

### Medical circumstances

When considering the circumstances of a customer who has requested a DHP payment, it is important that the medical situation is taken into account. With this in mind we will ensure the following is considered on each application:

- § Does the customer or a member of the household have health or support needs that require them to remain in a particular property because of adaptations or access to medical facilities?
- § Does the customer or a member of the household have to have an extra room for health or support needs?
- § Do the health needs of someone in the household mean that the choice of housing is restricted temporarily or permanently?
- § Does the customer or a member of the household have health care related expenses such as medicine (non-prescription or otherwise) or therapeutic training?

### Rent deposits and rent in advance

Where requests are made for deposits or rent in advance for a prospective new property:

- the customer must be in receipt of Housing Benefit (or Universal Credit including a housing cost element) at their current address, and

- we will ask for proof of the amount they are requesting from the prospective landlord
- we will ask the customer must to confirm that they have been unable to source assistance from elsewhere first (namely Shropshire Housing Alliance or the council's Housing Options Team)
- we will consider whether the property the customer is moving to is affordable (whilst recognising that some people may have had to flee a home due to domestic violence so they may have had to seek a place of safety such as a refuge service)
- we will want to know whether the customer is due to have a deposit returned to them from their outgoing tenancy
- we will also want to know whether the customer has received assistance from another department within the LA towards a rent deposit (such as a rent deposit scheme or similar)
- we will need an application form for HB to be submitted at the same time as the DHP request so we can establish if there will be an entitlement to HB at the new address. For UC, we will need to establish that the customer will receive an element towards their housing costs when they move.
- we may consider making awards for deposits or rent in advance for properties outside our area if the customer is in receipt of HB or UC in our area.

When looking at requests, we will take into consideration the availability of suitable alternative accommodation, especially one bed accommodation.

### Treatment of income and expenditure

We will look at the income received by the claimant and partner when calculating awards. Where non-dependents don't make a contribution to the household, we assume that the claimant receives a weekly amount equivalent to the non-dependent deduction being applied to the Housing Benefit claim.

In recognition of the purpose for which the benefit is awarded, we will include Disability Living Allowance (DLA), Personal Independence Payments (PIP) and Attendance Allowance (AA) as available income when assessing income and expenditure. We will however offset from it any special expenditure with regard to adult care costs etc.

We will consider what is reasonable when assessing declared expenditure. If we feel that declared expenses are unreasonably high, we will reduce them to an amount we deem reasonable in our calculation.

We will make a comparison of the income and expenditure to establish whether the customer has an excess weekly income after meeting all their expenses, including their rent shortfall.

## Treatment of the household

We will always take the income of the claimant and partner into account in our calculation. We won't take the income of other members of the household into account but we will assume that a contribution will be made to the household by any non-dependant. This will either be the figure quoted as 'keep' or the level of the non-dependant deduction on the Housing Benefit claim. If there is no non-dependent deduction on the Housing Benefit claim and they do not pay keep, we will consider whether an assumed contribution should be made, dependent on the non-dependent's income.

## The tenancy

- Can the landlord reduce the rent?
- Is the tenancy fixed term and when does it end?
- Are any agencies or services such as the Housing Options Team able to help negotiate a lower rent?
- Could they afford the tenancy before they took it on?
- Would awarding the DHP mean the property would be affordable for an interim period, allowing the tenant enough time to find alternative accommodation

## Amount and Duration

As advised, the amount of DHP awarded to meet the rent shortfall must not exceed the eligible rent figure when combined with the Housing Benefit award. The awards will usually be made to cover short term needs rather than provide a long term solution to shortfalls in rent. There will however, be circumstances where longer term awards will be provided.

Examples when longer awards may be made are:

- For people with a disability who have had substantial adaptations made to their home
- When it is considered unreasonable to expect the customer to move house, where appropriate, awards of DHP may be of a longer duration than usually expected.
- A disabled child who is not in receipt of the required rate of DLA, and who would normally be expected to share a bedroom under the rules governing the spare room subsidy, requires a separate room and provides evidence that this is the case.

In exceptional cases, an indefinite award may be considered, subject to a relevant change in their circumstances.

A DHP can be awarded on a weekly ongoing basis or as a lump sum payment in respect of removal costs.

Decisions on the level and duration of an award will need to take into account the customer's individual circumstances and what is affordable within the council's allocated budget. We will also consider the amount of time the customer will need to sort out their financial circumstances or housing circumstances, particularly if they are trying to find alternative accommodation.

### Making our decision

Before making our decision, we will consider the following:

- Does the household have to live in the area because of an existing support network?
- Is there a particular reason the person chose to live in the accommodation?
- Is there a more realistic prospect of work in the area they currently live in?
- Is the property the cheapest available for the customer's needs?
- Are the children at a critical point in their education or is a training scheme almost complete?
- Is one of the children near the edge of the threshold for an additional bedroom?
- Is the customer expecting a child and will she require her size of property when the child is born? (i.e. will her benefit size restriction end?)
- Is the customer fleeing Domestic Violence, meaning they cannot reasonably shop around for suitably priced accommodation?
- Is someone in the household undertaking care duties for relatives in the neighbourhood?
- Is someone temporarily living away from home and expected to return shortly?
- Is there a shortage of shared accommodation?
- Is the customer a care leaver who has a reduction in their LA rate after becoming 22 years old?
- Does the person need an additional room for a foster child or is the room being kept free for a foster child?
- Does the customer qualify for the 13 weeks or 52 weeks protection for HB?
- Does the customer need an additional room for an overnight carer?
- Is there a requirement for a separate bedroom for each member of a couple due to medical reasons?
- The time needed for the customer to address any underlying issues.

We will inform customers of our decisions at the earliest opportunity.

Where we are unable to make an award, we will explain the reasons for this in writing so that the customer understands why. We will also provide suggestions for alternative support where these exist and will signpost customers to various useful agencies.

Where we can make an award, we will confirm the weekly award and the period of time we will pay it for. We will also provide a list of recommended actions that the customer must take to change their personal circumstances so they are more beneficial or to avoid them requiring further assistance from the DHP fund. We will expect them to take action on

these recommendations in order to guarantee any further awards of DHP where the customer requests an award extension.

Our letter will inform customers that there is no formal right of appeal but will offer customers the opportunity to ask the council to look at the decision again, especially where they think there has been an error or omission. Where the customer has consented, we may also inform the landlord of our decision. Where HB or UC is being paid to a landlord and we subsequently make an award of DHP that we also pay to the landlord, we may contact the landlord to advise them of this.

Corroborative supporting information may be sought from third parties such as housing providers or support workers where this is felt reasonable in order to confirm that alternative solutions have been considered. Failure to provide supporting evidence without good reason may lead to the application being unsuccessful.

We will ask the customer whether they have a support worker to help them and will speak to that support worker to gather further information to support the request for an award of DHP. This will allow us to make fully informed decisions so that the decision we make is a fair and reasonable decision for the customer, especially where there are mental health considerations.

Refusal to provide the necessary information for the team to make a decision will result in a refusal of award or as a withdrawal of application where there is loss of contact.

Where we are unable to make an award, we will explain the reasons for this in writing so that the applicant understands why. We will also provide suggestions for alternative support where these exist and will signpost applicants to various useful agencies.

### Payment of the award

Payments for rent shortfalls will be made at the same frequency as Housing Benefit payments and will normally be paid with these. They can be paid to someone other than the claimant if the council considers it reasonable to do so (e.g. an agent, appointee or landlord).

Payments for deposits and rent in advance will be paid directly to the landlord. We will advise tenants that landlords have a legal obligation to protect any deposit paid in a Government approved tenancy deposit scheme to help avoid future requests for deposits.

- Payments to private tenants and their landlords will be paid by BACS.
- Payments to housing association tenants and their landlords will be paid by BACS
- In the case of Rent Rebate, DHPs will be paid to the rent account by direct credit.

## Prevention of Homelessness

Homelessness has a major impact on customers in terms of health, education and employment prospects. It is vital that we use the DHP fund where appropriate to avoid homelessness by taking the following into account: -

- That an award of DHP may prevent evictions and prevent homelessness
- That the proximity of the household to education, employment and social networks means it may be helpful to pay DHP for resettling period from homelessness
- A DHP award could be central to the person being able to access employment, education or training and therefore less likely to become homeless
- Whether an award made to someone who has previously been homeless would increase the long-term sustainability of their tenancy
- Whether an award made to a care leaver who needs support would increase the long-term sustainability of their tenancy
- Closer working and good relationship building with internal services such as homelessness and external services such as Citizens Advice Bureau to act on early warning signs of potential homelessness and vulnerable cases

## DHPs and two homes

We can award DHPs on two homes if a customer is temporarily absent from their normal home, for example, because of domestic violence. If there is a rent shortfall in both properties, we will consider an award of two DHPs, subject to the normal limits.

If the customer is not liable to pay rent for the new address but has a shortfall in rent at the normal home, we can award a DHP for the normal home, again, subject to the normal limits.

## Backdated Awards

We will consider requests for backdated DHP's and will look at each case on its own merits. Whilst no blanket policies will be adopted, we will be consistent in our decision-making throughout. Although there are no rules regarding backdating, we will look to establish that 'good cause' for failing to make an earlier claim has been established. We will normally only backdate a DHP to the beginning of the current financial year. We will only consider backdating a DHP award to a date prior to the current financial year in exceptional circumstances. We will consider backdated benefit awards to assist customers with arrears due to welfare reforms who wish to move address. In every case we will consider the person's age, household make-up, health and individual circumstances.

## Appeals and Reconsiderations

Under the legislation governing DHP's, there is no right of appeal to an independent tribunal. Decisions are however, subject to requests for internal review and they should be treated under the Decision Making and Appeal procedures for this purpose.

Such requests for a review are dealt with through local arrangements.

The review process will have two stages:

- Stage 1      In the first instance, any request for a review will be considered by someone other than the officer who made the original decision unless new evidence is provided, when the same officer can consider the request. All requests to review a decision from an applicant or their representative to be considered and notified within one month of the date of decision.
- Stage 2      If the applicant is still not satisfied with the outcome of the review, they may request a further review within one month of the date of the review outcome. The process will seek to ensure that stage 2 reviews are considered by a senior officer taking into account all the information and evidence included in the review and the reasonableness of the decision made. The decision will be notified in writing.

Any negative decisions will be clearly explained.

Decisions on DHPs cannot be appealed to a Social Security Tribunal as they are not empowered to deal with them. The route of judicial review is available, and the local government ombudsman if there is an allegation of maladministration.

## Changes in Circumstances

A person claiming a DHP is required by regulations to:

- Give the Local Authority such information as it may require
- Tell the Local Authority of any changes in circumstances that may be relevant.

## Revising Awards

Where an award of DHP has been made, the amount of the DHP will be regularly reviewed and possibly revised where there has been a change in circumstances to their Housing Benefit or Universal Credit claim.

## Repeat Awards for Rent Shortfalls

DHP's are not intended to be for an indefinite period. Individuals are expected to manage their day to day finances and take steps to budget and manage their household income. We will provide advice and guidance to people by signposting them to suitable support regarding this. Where customers request repeat awards, we will look to see whether they have acted on the recommendations made when their previous award was granted. If they have failed to do so, we will provide them with one month to act on these before considering a further award. If they fail to act on the recommendations within one month, we will not extend their DHP award.

We will not consider requests beyond the one month extension:

- Where advice has been ignored or not sought as advised
- Where a previous request was unsuccessful (unless there has been a change in household circumstances)
- Where the individual has not taken steps to remedy the situation
- Where the circumstances could have been avoided or were as a result of reckless or deliberate behaviour
- Where the individual has not co-operated with the Council or other public bodies

The above list is not exhaustive and consideration will be given to repeat applications on an individual basis.

## Stopping DHPs

If the council decides that DHPs are being or have been made because of misrepresentation / failure to disclose information correctly or the Local Authority has paid in error, the payment can be stopped.

## Recovery of DHPs

We can recover DHP's if we decide that payment has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise. We can also recover DHP's if we decide the customer has been paid as a result of an error made when the claim was determined.

We cannot recover DHP's from ongoing Housing Benefit or Universal Credit. This is unlike Housing Benefit (HB) overpayments where there is a regulatory provision to allow recovery from ongoing Housing Benefit. There is also no provision for recovery of overpaid DHP's from other prescribed benefits.



Overpaid DHP's will be requested from the customer via invoice. Customers will have the opportunity to repay their debt in full or make an arrangement to repay in instalments within a reasonable timeframe.

## Circumstances Where It Is Not Appropriate To Award A DHP

- **Ineligible charges:** a service charge that is not eligible for HB cannot be covered by a DHP. These are as specified in Schedule 1 to the Housing Benefit Regulations 2006 and Schedule 1 to the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006. Nor can DHPs cover charges for water, sewerage, and environmental services – as defined and calculated under the HB provisions.
- **Increases in rent due to outstanding rent arrears:** Regulation 11(3) of the Housing Benefit Regulations 2006 and Regulation 11(2) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 refer. This refers to those cases where a customer's rent is increased on account of outstanding arrears which are owed by the customer in respect of their current or former property.
- **Sanctions and reductions in benefit:** DHPs cannot meet these because to do so would undermine the effectiveness of the sanctions or reduction in benefit. These are:
  - Any reduction in Income Support (IS) or income-based Jobseeker's Allowance (JSA(IB)) due to a Reduced Benefit Direction (RBD) for failure to comply with the Child Support Agency in arranging maintenance. The RBD is a reduction in benefit of 40% of the personal allowance and only applies to IS or JSA(IB)
  - Any reduction in benefit as a result of non-attendance at a work-focused interview. This applies both where the person's HB is reduced and when any other benefit that the person is receiving, such as IS is subject to a sanction
  - Any reduction or loss of benefit due to a JSA employment sanction. JSA is not payable for the period of sanction if they have contributed towards their unemployed status, for example, by leaving employment voluntarily or failing to attend a prescribed training scheme. In such cases, it may be possible for a reduced rate of JSA to be paid under the JSA hardship provisions
  - Any reduction in benefit due to a JSA sanction for 16/17 year olds - for certain young people who receive JSA under a Severe Hardship

Direction. JSA is not payable for the period of the sanction if they have contributed towards their unemployed status, for example, by leaving unemployment voluntarily or failing to attend a prescribed training scheme,

- Or any restriction in benefit due to a breach of a community service order
- Any reduction in UC due to a sanction as specified under regulation 100 of the UC Regulations 2013
- Any restriction due to repayment of a social fund loan
- **Benefit suspensions:** - HB can be suspended either because there is a general doubt about entitlement or because a customer has failed to supply information relevant to their claim. In such cases, it would not be permissible to pay DHPs instead. One of the intentions of the suspension provisions is to act as a lever to ensure that the customer takes the necessary steps to provide the authority with the necessary information / evidence. Paying DHPs could reduce the effectiveness of this lever.
- **Shortfalls caused by HB overpayment recovery:** when recovery of an HB overpayment is taking place, such shortfalls should not be considered for a DHP
- Rent, when the person is getting Council Tax support but not HB or help towards housing costs in UC: so if someone is only getting local Council Tax support, we cannot award a DHP towards rental liability

**From Annexe B of Draft Department for Work and Pensions Good Practice Guide 2013**

### Future Applications

Where changes are anticipated, such as the introduction of size criteria in the social rented sector or introduction of the benefit cap, we will allow applications for DHP's from customers in advance to help alleviate uncertainty for some. We will advise customers of an award that will start from a future date, subject to any subsequent change in circumstances.

### Monitoring Arrangements

The government has provided councils with a single budget figure for the provision of DHP awards. The council then has to monitor this budget throughout the year to ensure that awards are targeted to those most in need whilst ensuring there is sufficient budget to provide necessary support throughout the year. The Welfare Reform and Support Team will undertake this monitoring.

The government asks councils to record if customers have been affected by one of the following:

- Benefit cap
- Removal of spare room subsidy in the social rented sector

- Local Housing Allowance restrictions
- Combination of reforms
- No impact

They also ask councils to record the intended outcome when making an award. These awards are broadly grouped into the areas that cover the policy intention of DHPs:

- To help secure and move to alternative accommodation (e.g. rent deposit)
- To help with short-term rental costs until the claimant is able to secure and move to alternative accommodation
- To help with short-term rental costs while the claimant seeks employment
- To help with on-going rental costs for disabled person in adapted accommodation
- To help with on-going rental costs for foster carer
- To help with short-term rental costs for any other reason

### Publicity

Shropshire Council will publicise the Discretionary Housing Payment Scheme by promoting it via:

- The council's website,
- The council's hubs and customer service centres
- Local Registered Social Landlords
- The council's Housing Options Team
- Citizens Advice Shropshire
- Age UK
- A4U
- Local Landlord Forums
- Elected council Members

### Support into work

The Scheme will support the government's Welfare Reform agenda by signposting people towards work opportunities where possible. This can include:

- Signposting people towards skills-based support and training by various agencies, such as challenging expectation, culture change, confidence building, training, help with skills, work clubs, help with CVs and job applications
- Signposting people to the Benefit Options Team in order that they can provide 'better-off in work' calculations
- Signposting people towards County Training who can signpost people to apprenticeships
- Providing people with clothing and travel for interviews where this cannot be provided by Jobcentre Plus.
- Signposting people towards Wheels to Work and Transport Solutions

- Providing people with help towards fuel for transport to new employment if they have not been paid yet and this cannot be provided by another source.

## Policy Review

The welfare reform agenda means that it is highly probable that changes to this document and the practical application of the scheme will need to be made throughout the year.

DRAFT



## Shropshire Equality and Social Inclusion Impact Assessment (ESIIA)

### Discretionary Housing Payments

#### Shropshire Council Part 1 ESIIA: initial screening and assessment

*Please note: prompt questions and guidance within boxes are in italics. You are welcome to type over them when completing this form. Please extend the boxes if you need more space for your commentary.*

##### Name of service change

**Discretionary Housing Payments Policy**

##### Aims of the service change and description

Discretionary Housing Payments (DHP's) are only available to people who are entitled to Housing Benefit or Council Tax Support. DHP's are expected to be awarded in unusual or extreme circumstances where additional help with rent or housing costs will have a significant positive impact in alleviating hardship and avoid deprivation particularly where people are vulnerable or where there is risk of homelessness or of family break up.

There are no prescribed resource tests for DHP's however, Local Authorities must satisfy themselves that the person making the application is in need of further financial assistance with their housing costs. DHP's are made entirely at the Local Authority's discretion and it is for them to decide what should be awarded and for what period in any particular case.

Recent changes to the Housing Benefit system have altered entitlements to help with social sector housing costs in the same way that earlier changes affected the private rented sector: the size of the household of working age clients is taken into account when deciding the appropriate level of rent to be met. The end of the "spare room subsidy" potentially affects more single people and smaller families.

Other changes that impact on the population are around the recent extension of allowing only the shared room rate of assistance to anyone aged under 35. This is lower than the assistance for a single bedroomed property and now affects a wider spectrum of younger people.

##### Intended audiences and target groups for the service change

- People receiving Housing Benefit and/or Council Tax assistance.
- Landlords
- Advice agencies and representative groups

##### Evidence used for screening of the service change

The Department for work & Pensions produce guidance and clarification on the administration of DHP's via the Discretionary Housing payments Guidance Manual [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/184207/discretionary-housing-payments-guide.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/184207/discretionary-housing-payments-guide.pdf)

The guidance produced by the Department for Work & Pensions, although not binding on Local Authorities, provides detailed requirements as well as good practice guidelines and therefore forms the sound framework upon which Shropshire's DHP policy has been based. Guidance is therefore inclusive and without bias for all who carry primary entitlement which is entitlement under the Housing Benefit /Council Tax Assistance rules.

Local statistics from the Housing Benefit delivery system (December 2014) indicate that there are currently 16647 live claims to Housing Benefit within Shropshire. Of these, 6465 are from people over pension age leaving 10,182 from claimants of working age. The majority of claims, some 11629, indicate that there are dependent children in the household.

### Specific consultation and engagement with intended audiences and target groups for the service change

The delivery of DHP's was recently subjected to Member scrutiny via a Task & Finish Group which called upon advice sessions provided by Housing Associations and their Support workers, charitable organisations and internal Council advisers. The minutes of the Task & Finish Group can be found as follows:

[https://shropshire.gov.uk/committee-services/documents/s4357/FinalreportoftheDiscretionaryHousingPaymentsDHPTaskandFinishGroup .pdf](https://shropshire.gov.uk/committee-services/documents/s4357/FinalreportoftheDiscretionaryHousingPaymentsDHPTaskandFinishGroup.pdf)

### Potential impact on Protected Characteristic groups and on social inclusion

<b>High Negative</b>	Significant potential impact, risk of exposure, history of complaints, no mitigating measures in place or no evidence available: urgent need for consultation with customers, general public, workforce
<b>Medium Negative</b>	Some potential impact, some mitigating measures in place but no evidence available how effective they are: would be beneficial to consult with customers, general public, workforce
<b>Low Negative</b>	Almost bordering on non-relevance to the ESIIA process (heavily legislation led, very little discretion can be exercised, limited public facing aspect, national policy affecting degree of local impact possible)

### Initial assessment for each group

*Please rate the impact that you perceive the service change is likely to have on a group, through inserting a tick in the relevant column.*

Protected Characteristic groups and other groups in Shropshire	High negative impact <i>Part Two</i>	High positive impact <i>Part One</i>	Medium positive or negative impact	Low positive or negative impact <i>Part One</i>

	<i>ESIIA required</i>	<i>ESIIA required</i>	<i>Part One ESIIA required</i>	<i>ESIIA required</i>
<b>Age</b> (please include children, young people, people of working age, older people. Some people may belong to more than one group eg young person with disability)				
<b>Disability</b> (please include: mental health conditions and syndromes including autism; physical disabilities or impairments; learning disabilities; Multiple Sclerosis; cancer; HIV)				
<b>Gender re-assignment</b> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				No evidence to suggest either positive or negative impact
<b>Marriage and Civil Partnership</b> (please include associated aspects: caring responsibility, potential for bullying and harassment)				No evidence to suggest either positive or negative impact
<b>Pregnancy &amp; Maternity</b> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				No evidence to suggest either positive or negative impact
<b>Race</b> (please include: ethnicity, nationality, culture, language, gypsy, traveller)				No evidence to suggest either positive or negative impact
<b>Religion and belief</b> (please include: Buddhism, Christianity, Hinduism, Islam, Judaism, Non conformists; Rastafarianism; Sikhism, Shinto, Taoism, Zoroastrianism, and any others)				No evidence to suggest either positive or negative impact
<b>Sex</b> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				No evidence to suggest either positive or negative impact
<b>Sexual Orientation</b> (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)				No evidence to suggest either positive or negative impact
<b>Other: Social Inclusion</b> (please include families and friends with caring responsibilities; people with health inequalities; households in poverty; refugees and asylum seekers; rural communities; people you consider to be vulnerable)				

## Decision, review and monitoring

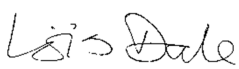
Decision	Yes	No
Part One ESIIA Only?		
Proceed to Part Two Full Report?		

***If Part One, please now use the boxes below and sign off at the foot of the page. If Part Two, please move on to the full report stage.***

<b>Actions to mitigate negative impact or enhance positive impact of the service change</b>
The delivery of DHP's will continue to be subject to scrutiny and in accordance with any future changes published via the DWP guidance manuals.

<b>Actions to review and monitor the impact of the service change</b>
Shropshire Council will continue to utilise the good practice guidance issued by the Department for Work & Pensions as the basis for continuing delivery of this service and will compare our delivery against that of other Local Authorities. System statistics will continue to be collated and analysed for impact upon protected characteristic groupings.

## Scrutiny at Part One screening stage

People involved	Signatures	Date
<i>Lead officer carrying out the screening</i>		
<i>Any internal support</i>	 Mrs Lois Dale, Principal Rural Policy Officer; ext 5684	6 <sup>th</sup> January 2015
<i>Any external support</i>		
<i>Head of service</i>		

## Sign off at Part One screening stage

Name	Signatures	Date
<i>Lead officer's name</i>		
<i>Head of service's name</i>		



## Shropshire Council Part 2 ESIIA: full report

### Guidance notes on how to carry out the full report

The decision that you are seeking to make, as a result of carrying out this full report, will take one of four routes:

1. To make changes to satisfy any concerns raised through the specific consultation and engagement process and through your further analysis of the evidence to hand;
2. To make changes that will remove or reduce the potential of the service change to adversely affect any of the Protected Characteristic groups and those who may be at risk of social exclusion;
3. To adopt the service change as it stands, with evidence to justify your decision even though it could adversely affect some groups;
4. To find alternative means to achieve the aims of the service change.

The Part Two Full Report therefore starts with a forensic scrutiny of the evidence and consultation results considered during Part One Screening, and identification of gaps in data for people in any of the nine Protected Characteristic groups and people who may be at risk of social exclusion, eg rural communities. There may also be gaps identified to you independently of this process, from sources including the intended audiences and target groups themselves.

The forensic scrutiny stage enables you to assess:

- **Which gaps need to be filled right now, to help you to make a decision about the likely impact of the proposed service change?**

This could involve methods such as: one off service area focus groups; use of customer records; examination of data held elsewhere in the organisation, such as corporate customer complaints; and reference to data held by similar authorities or at national level from which reliable comparisons might be drawn, including via the Rural Services Network. Quantitative evidence could include data from NHS Foundation Trusts, community and voluntary sector bodies, and partnerships including the Local Enterprise Partnership and the Health and Well Being Board. Qualitative evidence could include commentary from stakeholders.

- **Which gaps could be filled within a timeframe that will enable you to monitor potential barriers and any positive or negative impacts on groups and individuals further along into the process?**

This could potentially be as part of wider corporate and partnership efforts to strengthen the evidence base on equalities. Examples would be: joint information sharing protocols about victims of hate crime incidents; the collection of data that will fill gaps across a number of service areas, eg needs of young people with learning disabilities as they progress through into independent living; and publicity awareness campaigns that encourage open feedback and suggestions from a variety of audiences.

Once you have identified your evidence gaps, and decided on the actions you will take right now and further into the process, please record your activity in the following boxes. Please extend the boxes as needed.

**Evidence used for assessment of the service change: activity record**

*How did you carry out further research into the nine Protected Characteristic groups and those who may be at risk of social exclusion, about their current needs and aspirations and about the likely impacts and barriers that they face in day to day living?*

*And what did it tell you?*

**Specific consultation and engagement with intended audiences and target groups for the service change: activity record**

*How did you carry out further specific consultation and engagement activity with the intended audiences and with other stakeholders who may be affected by the service change?*

*And what did it tell you?*

**Further and ongoing research and consultation with intended audiences and target groups for the service change: activity record**

*What further research, consultation and engagement activity do you think is required to help fill gaps in our understanding about the potential or known affect that this proposed service change may have on any of the ten groupings and on the intended audiences and target groups? This could be by your service area and/or at corporate and partnership level.*

## Full report assessment for each group

Please rate the impact as you now perceive it, by inserting a tick. Please give brief comments for each group, to give context to your decision, including what barriers these groups or individual may face.

Protected Characteristic groups and other groups in Shropshire	High negative impact	High positive impact	Medium positive or negative impact	Low positive or negative impact
<b>Age</b> (please include children, young people, people of working age, older people. Some people may belong to more than one group eg young person with disability)				
<b>Disability</b> (please include: mental health conditions and syndromes including autism; physical disabilities or impairments; learning disabilities; Multiple Sclerosis; cancer; HIV)				
<b>Gender re-assignment</b> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				
<b>Marriage and Civil Partnership</b> (please include associated aspects: caring responsibility, potential for bullying and harassment)				
<b>Pregnancy &amp; Maternity</b> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				
<b>Race</b> (please include: ethnicity, nationality, culture, language, gypsy, traveller)				
<b>Religion and belief</b> (please include: Buddhism, Christianity, Hinduism, Islam, Judaism, Non conformists; Rastafarianism; Sikhism, Shinto, Taoism, Zoroastrianism, and any others)				
<b>Sex</b> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				
<b>Sexual Orientation</b> (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)				
<b>Other: Social Inclusion</b> (please include families and friends with caring responsibilities; people with health inequalities; households in poverty; refugees and asylum seekers; rural communities; people you consider to be vulnerable)				

## ESIIA Full Report decision, review and monitoring

### Summary of findings and analysis - ESIIA decision

*You should now be in a position to record your decision. Please highlight in bold the route that you have decided to take.*

1. To make changes to satisfy any concerns raised through the specific consultation and engagement process and through your further analysis of the evidence to hand;
2. To make changes that will remove or reduce the potential of the service change to adversely affect any of the Protected Characteristic groups and those who may be at risk of social exclusion;
3. To adopt the service change as it stands, with evidence to justify your decision even though it could adversely affect some groups;
4. To find alternative means to achieve the aims of the service change.

*Please add any brief overall comments to explain your choice.*

*You will then need to create an action plan and attach it to this report, to set out what further activity is taking place or is programmed that will:*

- *mitigate negative impact or enhance positive impact of the service change,*  
AND
- *review and monitor the impact of the service change*

*Please try to ensure that:*

- *Your decision is based on the aims of the service change, the evidence collected, consultation and engagement results, relative merits of alternative approaches and compliance with legislation, and that records are kept;*
- *The action plan shows clear links to corporate actions the Council is taking to meet the general equality duty placed on us by the Equality Act 2010, to have due regard to the three equality aims in our decision making processes.*

### Scrutiny at Part Two full report stage

People involved	Signatures	Date
<i>Lead officer</i>		
<i>Any internal support</i>		
<i>Any external support</i>		
<i>Head of service</i>		

### Sign off at Part Two full report stage

<b>Signature (Lead Officer)</b>	<b>Signature (Head of Service)</b>
Date:	Date:

## Appendix: ESIIA Part Two Full Report: Guidance Notes on Action Plan

Please base your action plan on the evidence you find to support your decisions, and the challenges and opportunities you have identified. It could include arrangements for:

- continuing engagement and involvement with intended audiences, target groups and stakeholders;
- monitoring and evaluating the service change for its impact on different groups throughout the process and as the service change is carried out;
- ensuring that any pilot projects are evaluated and take account of issues described in the assessment, and that they are assessed to make sure they are having intended impact;
- ensuring that relevant colleagues are made aware of the assessment;
- disseminating information about the assessment to all relevant stakeholders who will be implementing the service change;
- strengthening the evidence base on equalities.

Please also consider:

- resource implications for in-house and external delivery of the service;
- arrangements for ensuring that external providers of the service are monitored for compliance with the Council's commitments to equality, diversity and social inclusion, and legal requirements including duties under the Equality Act 2010.

And finally, please also ensure that the action plan shows clear links to corporate actions the Council is taking to meet the general equality duty placed on us by the Equality Act 2010, to have due regard to the three equality aims in our decision making processes.

These are:

- Eliminating discrimination, harassment and victimisation
- Advancing equality of opportunity
- Fostering good relations

***Note for 2014 refresh of our corporate equality impact assessment approach: Shropshire Council has referred to good practice elsewhere in refreshing the EINA material and replacing it with this ESIIA material. The Council is grateful in particular to Leicestershire County Council, for graciously allowing use to be made of their Equality and Human Rights Impact Assessments (EHRIsAs) material and associated documentation.***

***For further information on the use of ESIIAs: please contact your head of service or contact Mrs Lois Dale, Principal Rural Policy Officer and internal policy support on equality, via telephone 01743 255667, or email [lois.dale@shropshire.gov.uk](mailto:lois.dale@shropshire.gov.uk).***

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<u>Committee and date</u>

<u>Item No</u>
Public

## Report of the Discretionary Housing Payments [DHP] Task and Finish Group

**Responsible Officer:** Nigel Bishop – Head of Customer Involvement

Email: nigel.bishop@shropshire.gov.uk Telephone: 01743 25

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### 1. Summary

- 1.1 This paper presents the final report of the Discretionary Housing Payments [DHP] Task and Finish Group to Cabinet following the endorsement of its recommendations by the Performance Management Scrutiny Committee at its meeting on 11 June 2014. The work of the Group has focussed on understanding the Shropshire approach to the award of DHPs and whether this could be improved both to meet the needs of the tenants and ensure that the allocation made to Shropshire is maximised.
- 1.2 The Task and Finish Group has developed its conclusions and recommendations based on the evidence gathered through its work.

### 2. Recommendations

- 2.1 Cabinet is requested to agree that the Discretionary Housing Payments policy is reviewed taking into consideration the recommendations from the Task and Finish Group as detailed in its report.
- 2.2 to bring the proposed policy document back to Cabinet on 10 December 2014 for approval prior to formal consultation

### 3. Report

- 3.1 The Report of the Discretionary Housing Payments [DHP] Task and Finish Group is attached as Appendix A.

### 4. Risk Assessment and Opportunities Appraisal

- 4.1 There are no identified issues relating to Risk Management, Human Rights or community associated with this report.

**5. Financial Implications**

5.1 The Task and Finish Group did not focus on specific financial expenditure areas.

**Background Papers**

As listed on the final page of the DHP Task and Finish Group's report

**Cabinet Member/s**

Portfolio Holder for Resources, Finance and Support

- Councillor M Owen

**Local Member/s**

All

**Appendices**

Appendix A – The report of the Discretionary Housing Payments [DHP] Task and Finish Group



**APPENDIX A**



**Performance Management  
Scrutiny Committee**

**Report of the Discretionary  
Housing Payments (DHP) Task  
and Finish Group**

### Acknowledgments

We would like to thank the representatives of the sector who have attended some of our meetings and answered our questions and queries; Officers of the Council who have supported us in our work and those who have answered our questions and provided us with information – particularly Damian Carter and Jane Palmer for her support to the Group.

We were very impressed with the knowledge and enthusiasm of all those who have spoken to us. It was clear that whatever perspective people had, they were motivated to assist local people in the best way possible. We were particularly pleased to have a greater awareness and understanding of the issues people face and the most appropriate support that can be provided.

As Chairman, can I also thank my colleagues for their invaluable support and contributions to our work. I am also grateful to Councillor Martin Bennett and Tom Dodds for their support and guidance in the setting up stages of the Task & Finish Group.

Councillor Chris Mellings  
Chairman – DHP Task & Finish Group

### Members of the Task and Finish Group

Councillor Dean Carroll [Vice Chairman]  
Councillor Ted Clarke  
Councillor Robert Macey  
Councillor Chris Mellings [Chairman]  
Councillor Kevin Pardy  
Councillor Madge Sheinton

### Report

#### Introduction

All Local Authorities are allocated a ring fenced sum by the DWP to pay Discretionary Housing Payments (DHPs) to local tenants. Any unspent sums at the end of the financial year are returned to the DWP.

Following a question tabled at the December 2013 meeting of the Council on the use of Shropshire's allocation, the Performance Management Scrutiny Committee agreed to set up a Task & Finish Group to examine Shropshire's approach.

This report sets out the findings of the Task and Finish Group and its recommendations.

#### What are Discretionary Housing Payments (DHPs)?

DHPs are additional payments for people currently receiving Housing Benefit who require further financial assistance with their housing costs.

Whilst the ring fenced sum is allocated by Central Government, as the title suggests the amount of individual payments and the period for which they last are at the discretion of Shropshire Council

Housing costs are not defined in the regulations and this provides the Council a broad discretion to interpret the term to most effectively support its customers.

In general, housing costs means rental liability. However, housing costs can be interpreted more widely to include rent in advance, deposits and other lump sum costs associated with a housing need such as removal costs.

The various types of shortfalls that a DHP can cover include:

- reductions in HB where the benefit cap has been applied
- reductions in HB for under occupation in the social rented sector
- reductions in HB as a result of local housing allowance restrictions
- rent shortfall to prevent a household becoming homeless whilst the local authority explores alternative options
- rent officer restrictions such as local reference rent or shared room rate
- non-dependent deductions
- income tapers

In 2013/14, Shropshire's allocation was £277,475. Of this £214,164 (77%) was spent. Consequently, £63,311 was returned to the DWP. During the year 1,655 applications were made of which 945 were awarded.

The main reasons for refusal during the year:

- 36 had very high expenditure that Benefits advised could be reduced
- 52 customers did not provide requested information
- 591 had excess income or capital
- 128 were provided with an alternative solution
- The remainder were a mixture of people who apply incorrectly and are signposted to the correct fund for support

For 2014/15, Shropshire's allocation has been increased to £383,819 or 38%.

The allocation is based on four different elements to reflect the expected impacts of the welfare reforms on Shropshire tenants.

These elements are:

- original baseline before Local Housing Allowance reforms
- LHA reforms
- Spare Room Subsidy
- Benefit Cap

The Council's discretionary approach is based on a policy which was agreed by Members in approximately 2009. Though the Group were provided with the current Guidance Manual used by the Benefit's Service, the Group were unable to evidence the original policy decision by Members.

The Group acknowledges that the use of DHPs is only a short term support to enable longer term changes to be implemented but is concerned to ensure that the use of Shropshire's allocation is maximised to meet the needs of Shropshire Tenants.

### **Scope and focus of the work**

As indicated elsewhere, our scope and focus was to understand the Shropshire approach to the award of DHPs and whether this can be improved both to meet the needs of tenants and ensure that the allocation made available to Shropshire is maximised.

The Group noted that in 2013/14, for example, some £60,000 was unspent which would be returned to the DWP.

From the start of our investigation, it was clear that work had already started internally to review the operation of the scheme and what improvements could be made to the application process.

This work involved a number of people including the Support Workers who have a particular close link with Shropshire tenants and have had experience of working through the existing scheme.

It is also important to ensure that the process is as user friendly as possible and supports people with their needs – though of course there will always be unsuccessful applications.

This has resulted in a number of changes which the Group believe will improve the scheme and the impact on the lives of tenants. The Group support this approach and its outcome. It also believes that there would be benefit in reviewing the impact of these changes on the scheme in say 6 months' time.

Based on its terms of reference, the Group is concerned to maximise the benefit of the scheme to local tenants though of course it recognises the DHP scheme is generally only a short term solution to the pressures and challenges that many tenants face.

One of the areas that has raised most concern both locally and nationally is whether or not DLA should be disregarded for income purposes. The Group also considered some examples of such cases.

This is an issue that has been raised in Parliament but the Ministerial view is that this should be a matter for local discretion. The Shropshire approach is to include DLA as part of the income calculation but to then disregard items of disability expenditure. Other forms of income related benefits also disregard DLA.

It is interesting that whilst the Support Workers support inclusion, the Housing Associations feel it should be disregarded.

The down side is that understandably some applicants may be reluctant to specify some elements of spending to support their disabilities due to the sensitive nature.

That said, under the new process, given that it encourages a discussion about needs this may be overcome.

However, whilst the Group on balance feels it is right that DLA should be disregarded this should not happen at the present time. This should be considered as a key aspect of the suggested 6 month review to assess the impact the process changes have had in supporting the needs of Shropshire tenants.

Responsibility for DHP applications will transfer to the Support Team within benefits from 1<sup>st</sup> June. The Team will be made up of 6 advisors who will also deal with Social Fund applications. The Group support this development and believes it will give consistency to decision making, links to other available funds and ensure a quicker decision time on applications.

During the course of our work, concern was expressed at the bedroom size of 1 bed properties which could not accommodate 2 single beds that may be required due to medical needs. Though perhaps outside the scope of our

work, the Group feels this area needs to be considered in future developments.

### **What has the Task and Finish Group done?**

From its five meetings and follow up information over a period of a month the Group has:

1. Understood the national legislative, policy framework and guidance on the operation of the scheme and how its discretion is used in Shropshire
2. Understood the performance of the scheme in 2013/14 and its implications
3. Considered and taken into account a raft of information to understand the wider context of Shropshire tenants in terms of demand, need and the development of improvements to the scheme to be implemented from 1<sup>st</sup> June
4. Held evidence sessions with Support Workers, Housing Associations, the Council's Benefits & Welfare Reform Manager and Charitable organisations on the operation of the scheme
5. Considered a number of case studies
6. Gave all Members of the Council the opportunity to contribute to the work of the review by sharing any experiences they have had from assisting constituents
7. Developed conclusions and recommendations based on the evidence presented to the Group and found during the course of its work

Though we made attempts, unfortunately we were not able to meet with individual tenants who had made applications for DHPs and their experience.

### **Recommendations**

- 1. The Group is concerned it is unable to evidence original approval of the scheme and that it may be timely for Council to re-approve the policy with a particular clarification of the Council's objectives for the use of DHPs.**
- 2. Given the impact of Welfare Reform and other pressures the Group acknowledges the importance of DHPs and the support it can provide to tenants at a time of change.**

3. The Group believes it is important to ensure the use of Shropshire's allocation is maximised to support the need of Shropshire tenants.
4. The statistics on grant and refusals of awards are provided for the DWP which do not give a full picture of the scheme's operation. The Group feel a local set of indicators would be beneficial in understanding its operation and outcomes.
5. The Group supports the introduction of the revised process from 1<sup>st</sup> June as a more flexible, simplified approach. It suggests that its impact be reviewed in 6 months' time by the Task & Finish Group.
6. Given the commentary within the report, the Group believes that at the present time DLA should not be excluded from the calculation but this should form a key aspect of the 6 month review referred to in recommendation 5 to ensure the needs of disabled tenants are being met.
7. Whilst most applications are from social housing tenants, the scheme also applies to tenants in the private rented sector. Though engagement has proved difficult, the Group believes that attempts should be made to better support private rented tenants through the use of DHPs.
8. The Group had discussion about tenant's awareness of DHPs. Though obviously Support Workers and others are well versed in DHPs the Group felt there should be a greater awareness by tenants of DHPs and their purpose.
9. It is clear that many applications relate to the impact of the Spare Room Subsidy. Whilst a number of people have been assisted to downsize to more appropriate accommodation, it is clear there is a shortage of such accommodation. Though perhaps outside the scope of our consideration, the Group strongly believe that future development of social rented housing needs to take account of this shortfall and development programmes need to allow for increasing the availability of one and two bedroom properties. Whilst it is possible that the future policy framework could change, the Group feel that this is an area worthy of further consideration by Scrutiny.

### Background information

- One Page Strategy
- Minutes of meetings of the DHP Task and Finish Group [meetings held on 15<sup>th</sup> April, 24<sup>th</sup> April, 6<sup>th</sup> May, 12<sup>th</sup> May & 20<sup>th</sup> May]
- DWP Discretionary Housing Payments Guidance Manual
- DWP DHP Claimant Factsheet
- Shelter DHP Factsheet
- Shropshire Council's Customer Involvement – Member Information update – April 2014
- Shropshire Council Benefits Service – DHP Guidance Manual
- Shropshire Council Benefits Service – DHP Trigger Expenditure Guidance
- Shropshire DHP Applications – Example Cases
- Shropshire Council's DHP proposed process changes wef 1<sup>st</sup> June – including process map.