

Appendix C:

Discretionary Housing Payments

Recommendations Review

Report of the Task & Finish Group

Background

During 2014, the Task & Finish Group examined the Council's approach to the administration of Discretionary Housing Payments in Shropshire.

Both Scrutiny and Cabinet accepted the Group's recommendations.

One of these was to conduct a further review after 6 months to assess the impact of the revised policy and in particular whether DLA should be excluded from the entitlement calculation.

Scrutiny approved the scope of the Task & Finish Group's work and this has been carried out in accordance with this.

Report

Following approval of the scope, the Task & Finish Group set to work on two issues:

- A response to the policy consultation
- Review of the Group's original recommendations

The Group held two meetings and received various items of information in between.

The Group also met with Support Workers to gauge their view on both the operation of the Council's scheme since the changes were introduced and the policy consultation.

One of the main issues originally identified by the Task & Finish Group was whether DLA should be excluded from the income assessment to determine entitlement to DHP.

During the course of our review, a case before the Tribunal determined that DLA should not be included as part of the income assessment.

Accordingly, the Council's policy has been amended accordingly to reflect this.

The Task & Finish Group submitted a response to the policy consultation document and this is attached below as Appendix 1.

The Task & Finish Group also considered its other recommendations from the original review.

Below is set out the original recommendations, commentary on progress since their approval and the Group's response:

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.

- A new policy has been drafted to reflect the council's administration of the scheme – this went to cabinet on 11 February and is part-way through a period of consultation due to end on 23rd April, 2015.

The Group supports this approach and has contributed to the consultation.

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.

- No action required

Despite the reduction in budget allocated to the Council, the Group continues to acknowledge the importance of DHPs. If the pressure on the budget is such, the Group recommends the Council considers making additional resources available within the framework allowed by the DWP.

3. The Group believes it is important to ensure the use of Shropshire's allocation is maximised to support the need of Shropshire tenants.

- The team administering DHP has adopted the new ways of working and the level of spend on DHP has increased significantly to that of the previous year.
- The spend has increased by £87,472 in this past year.
- It is envisaged that the budget will be spent in its entirety this year as we now have to disregard disability-related income when considering awards. We also have an increased number of rent in advance applications and this number seems to be increasing. We also expect

an extra demand on the budget for DHP applications from customers in receipt of Universal Credit.

2013/14		2014/15		2015/16	
Govt. allocation	£277,475	Govt. allocation	£383,819	Govt. allocation	£325,939
An increase in allocation of £166,285		An increase in allocation of £106,344		A decrease in allocation of £57,880	
Actual spend	£214,786	Paid to date and committed spend	£302,258		
		An increase in spend of £87,472			
		% of budget spent	78.75%		

The Group acknowledges whilst the spend on DHPs increased during 2014/15, the Council still returned some £81,000 to the DWP at year end. Given the pressures likely to be faced in the current year, it is unfortunate that Councils were not permitted to carry forward any underspend to support these increased pressured.

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.

- We record the number of awards and refusals (please note, however, that we cannot record these accurately because some awards have multiple periods but are only actually one award).
- We also record our signposting activities
- We recommend that we start recording and reporting on the following indicators from April 2015. This would be a cumulative report each month:
 - i. Number of awards
 - ii. Number of refusals and breakdown of the reasons
 - iii. The number of awards and refusals signposted to:
 1. support agencies
 2. debt advice
 3. look for alternative housing options
 4. HOT
 5. County Training
 6. Carer Support

2014/15		2015/16 (so far)	
Number of awards	207 x one-off awards 872 x ongoing awards	Number of awards	8 x one-off awards 64 x ongoing awards
Number of refusals	111 x one-off awards 5 repeat apps, 89 ineligible 1 fail recommend of SW 1 fail recommend of SC 11 excess income 4 excessive expend. 262 x ongoing awards 1 repeat app 81 ineligible 1 fail recommend of SW 8 fail recommend of SC 168 excess income 3 excessive expend.	Number of refusals	8 x one-off awards 1 repeat app 1 excessive expend. 6 ineligible 2 x ongoing awards 2 excess income
The following count is from June 2014 onwards			
Number of Awards Signposted to:		Number of Refusals Signposted to:	
support agencies	75	support agencies	13
debt advice	25	debt advice	8
look for alternative housing options	58	look for alternative housing options	4
HOT	1	HOT	0
County Training	4	County Training	1
Carer Support	1	Carer Support	0

The Group supports the introduction of the suggested indicators.

5. The Group supports the introduction of the revised process from 1st June as a more flexible, simplified approach. It suggests that its impact be reviewed in 6 months' time by the Task & Finish Group.

- A more flexible approach has been used by the team since the recommendations of the group and this approach continues to be used in the daily administration of the scheme.

- A recent meeting with support workers demonstrated that support workers feel the new process works much better than the previous one. They have found staff very helpful throughout their dealings.

The Group acknowledges the improvements made to the process which has introduced a more flexible and simplified approach. This is now having a positive impact.

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.

- This issue has been superseded by a recent court ruling that DLA income should be disregarded when considering DHP applications. The new policy will be re-written to reflect this change. It should be noted that this change will place a significant pressure on the budget for 2015/16. Matters of note are:
 - i. The reduced budget for 2015/16.
 - ii. The increase in requests by social sector tenants for rent in advance, some of whom are considering increasing their rent in advance periods to one month.
 - iii. The increased impact of the introduction of Universal Credit
 - iv. The large number of extra people who will qualify for support now that DLA is to be disregarded

The Group, as referred to elsewhere, welcomes the clarity now provided though it acknowledges the potential impact on the budget for 2015/16. As per item 2 above, if the pressure on the budget is such, the Group recommends the Council considers making additional resources available within the framework allowed by the DWP.

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.

- DHP has been promoted at the council's Private Landlord Forums on many occasions. The next National Landlords Association (NLA) landlord forum in Shropshire is on 6th July, 2015 at the Council Chamber in Shirehall and I intend to promote DHP at the next session.

- All Benefits staff are aware of the DHP scheme and they signpost customers who raise difficulties in meeting their rent shortfalls to the availability of this scheme.

The Group supports continued attempts to 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.

- **What we have done:**
 - 1) We have information regarding DHP's on the council's website.
 - 2) We promote the scheme at the council's Private Landlord Forums.
 - 3) We emailed the following teams and services to advertise the scheme and the help it can provide:
 - i. Family Solutions Team
 - ii. Citizens Advice Shropshire
 - iii. Shropshire Council Customer Services (Face to Face and Contact Centre staff)
 - iv. Local RSL liaison contacts so that the DHP scheme can be promoted to their staff
 - v. The council's Housing Options Team
 - vi. The council's Benefit Options Team
 - vii. Age UK
 - viii. A4U
- **What we can do:**
 - 1) Briefings for member surgeries
 - 2) Briefings for CMHT / CSMT
 - 3) Briefings for People2People

The Group supports this approach.

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.

- The Council's development policies say that social landlords can charge either an affordable rent (at 80% of the market rent) or an amount based on the relevant LHA rate, whichever is the lower of the two. This is because the Homes and Communities Agency (HCA) nationally set the rent regulation regime. They force the RP's to charge a higher rent (80% OMR) so the Registered Provider (RP) can borrow more money to build houses (because the Gov't gives a lot less now in grants). Because the LHA rate is a flat set rate across Shropshire, it doesn't recognise or reflect areas of high open market rents where the LHA rate might only be 60% or 70%.
- The housing policy team and the social landlords are all aware of the requirement for one and two bed properties. Whereas previously, applications were made to the council to approve the building of (in order of preference) 3 bed and then 2 bed properties, applications are now received for 2 bed, 1 bed and then 3 bed properties. One bed properties were never previously granted because they were considered to be inflexible units, however, the introduction of the removal of the spare room subsidy (the 'bedroom tax') means these requests are now granted due to the increased demand for this type of accommodation.
- There can sometimes be a battle between social landlords and developers because social landlords want 2 bed houses but developers want 2 bed apartments as they are easier to build. Usually the developer seeks our views on what we want and then presents what he wants us to want. We then discuss with RP's what they need and we then make a judgement based on the housing need and what the RP's seek. This does tend to be smaller units (2 bed houses) and a mixture of 2 and 1 bed appts in the urban areas which suits the developer.
- The housing policy team use Homepoint to keep informed about the required demand for certain types of housing and this helps to inform their policies and make their decisions on new development applications.

The Group acknowledges the position and encourages the Council to use its influence to enable the provision of appropriate accommodation to meet the needs of those affected by the Spare Room Subsidy.

Acknowledgements

The Group would like to place on record its thanks for the support and assistance of Chris Westwood and Lucy Simpson during its work. The Group also wish to thank the Support Workers for taking the time to share their experiences and views on how the scheme operates to support the needs of tenants during this time of change.

As the Chair of the Task & Finish Group can I also thank the members of the Task & Finish Group for their contributions to our work.

Councillor Chris Mellings
Chair – DHP Task & Finish Group
June 2015

Appendix 1

Discretionary Housing Payments Policy Consultation

Response of the Task & Finish Group

In its report to Scrutiny in June 2014, the Task & Finish Group was concerned it was unable to evidence original approval of the Council's DHP policy. It therefore recommended it would be timely for the Council to re-approve the policy with particular clarification of the Council's objectives for the use of DHPs.

The T&F Group welcomes publication of the draft policy document and the clarity it gives to the Council's approach.

The Group acknowledges that the use of DHPs is intended to provide short term assistance. It supports the policy of enabling people to meet their rent shortfall whilst they look at alternative solutions.

The Group strongly supports the policy objectives set out on page 5 of the draft policy. The policy should be based on meeting need and providing support to tenants as flexibly as possible.

In its original review, the T&F Group considered at length whether DLA should be excluded from the income calculation. On balance it felt that whilst DLA should continue to be included, it considered that this should form a key aspect of the 6 month review to assess its impact.

Whilst the draft policy recommends DLA continues to be included, a recent Tribunal hearing has ruled that it should be excluded. Given the Group's previous discussion of the issue, it welcomes the clarity now provided by the Tribunal decision and supports the exclusion of DLA from the income calculation.

However, whilst the policy is quite rightly based on consistent decision making throughout the year, the Group recognises that exclusion could place additional

pressure on the DHP budget resulting in it being exhausted before year end with needs still unmet. In the event of this, the Group asks that the Council considers providing additional funding to ensure this need is met.

The Group previously acknowledged the need to support private tenants through the use of DHPs. It supports the need to publicise this to private tenants as much as possible.

Given the wider Welfare Reform agenda, the Group supports the need, as set out in the draft, to keep the policy under review to ensure it is relevant and fit for purpose.

The Group is concerned at the approach of a number of RSLs seeking rent in advance and the impact this may have on the use of DHPs.

In looking at alternative solutions, opportunities for work are an important element. The Group strongly supports the section on "Support into Work." It asks that there is a co-ordinated approach across the Council to support tenants into work and that it keeps this issue under review to maximise the opportunities to work.

In acknowledging there is no right of appeal to an independent Tribunal, to ensure consistency it is important there is a review process. The suggestion for a 2 stage review is therefore welcomed which will not only given consistency but will also build confidence in the decision making process.

Obviously, the T&F Group has specifically focussed here on the draft policy and will be reporting separately to Scrutiny in June on the follow up review of its recommendations.

The draft policy is a key element of this and the Group is grateful for the opportunity to have been able to consider a response to it.

Councillor Chris Mellings
Councillor Dean Carroll
Councillor Madge Sheinton
Councillor Kevin Pardy
Councillor Ted Clarke
Councillor Robert Macey

DHP Task & Finish Group
April 2015

