

ADULT, COMMUNITY AND HOUSING SCRUTINY COMMITTEE

MONDAY 12TH AUGUST 2013

**AT 6.00 pm
IN COMMITTEE ROOM 2
THE COUNCIL HOUSE
DUDLEY**

If you (or anyone you know) is attending the meeting and requires assistance to access the venue and/or its facilities, could you please contact Democratic Services in advance and we will do our best to help you

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**You can view information about Dudley MBC on
www.dudley.gov.uk**

IMPORTANT NOTICE

MEETINGS IN DUDLEY COUNCIL HOUSE

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Your ref:

Our ref:

Please ask for:
Mr J. Jablonski

Telephone No.
(01384) 815243

31st July, 2013


Dear Councillor

Adult, Community and Housing Scrutiny Committee
Monday, 12th August, 2013 – 6.00PM

You are requested to attend a meeting of the Adult, Community and Housing Scrutiny Committee to be held on Monday, 12th August, 2013 at 6.00pm in Committee Room 2 at the Council House, Dudley to consider the business set out in the agenda below.

The agenda and public reports are available on the Council's Website www.dudley.gov.uk and follow the links to 'Councillors in Dudley' and the Committee Management Information System.

Yours sincerely



Director of Corporate Resources

A G E N D A

1. APOLOGIES FOR ABSENCE

To receive apologies for absence from the meeting.

2. APPOINTMENT OF SUBSTITUTE MEMBERS

To report the appointment of any substitute members serving for this meeting of the Committee.

3. DECLARATIONS OF INTEREST

To receive Declarations of Interest in accordance with the Members' Code of Conduct.

4. MINUTES

To approve as a correct record and sign the minutes of the meeting of the Committee held on 12th June,2013

5. PUBLIC FORUM

To receive questions from Members of the Public

6. WELFARE REFORM (PAGES 1 -2)

To consider a report of the Lead Officer

Reference is made in the report to presentations on the following issues –

Bedroom Tax/Under Occupation Subsidy

Discretionary Housing Payments

Local Welfare Assistance Scheme.

Reports on the issues are available on the Council's Committee Management Information System.

7. TO ANSWER QUESTIONS UNDER COUNCIL PROCEDURE 11.8 (IF ANY).

To: All Members of the Adult,Community and Housing Scrutiny Committee:

Councillors Body, Evans, Herbert, Islam, James, J. Martin, Miller, Mottram, Vickers and M.Wilson (with 1 vacancy)

ADULT, COMMUNITY AND HOUSING SERVICES
SCRUTINY COMMITTEE

Wednesday, 12th June, 2013 at 6.00 p.m.
in Committee Room 3 at the Council House, Dudley

PRESENT:-

Councillor Islam (Chair)
Councillor James (Vice Chair)
Councillors Body, Cowell, Harris, Miller, Mottram, Ridney and Vickers

Officers

Assistant Director, Customer Services (Directorate of Corporate Resources)
(Lead Officer to the Committee) and Mr. J. Jablonski (Directorate of Corporate Resources)

Observer

Councillor Branwood

1 **WELCOME**

The Chair welcomed all those present to the meeting, following which introductions were made.

2 **DEATH OF COUNCILLOR G. DAVIES**

The Chair referred to the recent death of Councillor George Davies, who had been appointed as a Member of this committee, and all those present stood in silent tribute to his memory.

3 **APOLOGIES FOR ABSENCE**

Apologies for absence from the meeting were submitted on behalf of Councillors Evans, Herbert, J. Martin and M. Wilson.

4 **APPOINTMENT OF SUBSTITUTE MEMBERS**

It was reported that Councillors Cowell, Harris and Ridney had been appointed as substitute members for Councillors J. Martin, M. Wilson and Herbert, respectively, for this meeting of the Committee only.

5 DECLARATIONS OF INTEREST

No member declared an interest in any matter to be considered at this meeting.

6 TERMS OF REFERENCE AND ANNUAL SCRUTINY PROGRAMME, 2013/14

A report of the Lead Officer and Director of Corporate Resources was submitted on the Terms of Reference of the Committee and the items included in the Annual Scrutiny Programme for detailed consideration by this Scrutiny Committee during 2013/14. Appendix 1 to the report submitted set out the Terms of Reference of the Committee and Appendix 2 gave more detailed information on the topics set out in the Annual Scrutiny Programme for 2013/14, referred to in paragraph 7 of the report.

Following a presentation of the content of the report and its Appendices by the Lead Officer and comments arising therefrom, it was

RESOLVED

- (1) That the Terms of Reference of the Committee, as set out in Appendix 1 to the report submitted, be noted.
- (2) That the issues contained in the Annual Scrutiny Programme for 2013/14, as referred to in paragraph 7 and Appendix 2 to the report submitted, be noted.
- (3) That it be noted that an informal development session would be held for Members and Officers at the conclusion of the formal business of this meeting to discuss how they wished to progress the items for detailed consideration by the Committee during 2013/14.
- (4) That approval be given to the inclusion of a "Public Forum" session on the agendas of future Meetings of the Committee and that the public forum session be limited to a maximum of 30 minutes in total, with 3 minutes to be allowed for each speaker, and that persons wishing to raise an issue under this Agenda Item be encouraged to submit details of the issue prior to the meeting of the Committee.

7 FORWARD PLAN OF KEY DECISIONS

A report of the Director of Corporate Resources was submitted on the Forward Plan of Key Decisions for the four-month period commencing 1st June, 2013, and on the recommendation from the Overview and Scrutiny Management Board that this Scrutiny Committee considers whether it wishes to recommend that any items contained in the Appendix to the report submitted, setting out a Schedule of Key Decisions, should be scrutinised.

RESOLVED

That the information contained in the report, and Appendix to the report, submitted on the Forward Plan of Key Decisions for the four-month period commencing 1st June, 2013, be noted, and that the Overview and Scrutiny Management Board be informed that, at this time, there were no matters that this Committee wishes to recommend be scrutinised .

The meeting ended at 6.18 p.m.

CHAIR

Adult ,Community and Housing Services Scrutiny Committee – 12th August, 2013

Report of the Lead Officer – Welfare Reform

1. **Purpose of Report**

To consider in more detail the specific areas that Members, at its meeting on 12th June 2013, identified for Scrutiny.

2. **Background**

At the meeting held on 12th June 2013 Members received a presentation on the impact of Welfare Reform. The presentation set a national context and Members understanding the enormity of the issue identified three specific areas for scrutiny. Those being Bedroom Tax/Under-occupation Subsidy, Discretionary Housing Payments (DHP) and the Local Welfare Assistance Scheme.

The following reports are available, and you are asked to access and print them off, as necessary, from CMIS:-

- Appendix 1 – Bedroom Tax/Under-occupation Subsidy
- Appendix 2 – Discretionary Housing Payments
- Appendix 3 – Local Welfare Assistance Scheme

Relevant officers will be asked to attend to answer Members' questions on the evening of the Committee.

3. **Finance**

As a major part of the Government's deficit reduction strategy the 2010 budget and spending review indicated projected savings of £18bn by 2014-15.

All of the reports have financial implications both in terms of the impact on the individual, the loss of rental income and measures of protection to assist vulnerable customers.

4. **Law**

The Welfare Reform Act 2012 was supplemented by supporting regulations. Officers will cover the specific legislation/regulations as appropriate to their subject matter. Full details are available via GOV.UK.

5. **Equality Impact**

EIA's will be undertaken as appropriate on the various strands of welfare reform to try and assess the cumulative impact.

6. **Recommendation**

Members are requested to scrutinise the information provided to them and determine if they need further evidence and/or wish to make recommendations as appropriate.

Lead Officer Mike Williams, Assistant Director of Finance (Revenues, Benefits & Management Support)

Contact: Mike.n.Williams@dudley.gov.uk
01384 814970

Agenda Item No. 6a

DACHS Scrutiny Committee – 12th August, 2013

Bedroom Tax/Under-occupation Subsidy

1. **Purpose of Report**

To outline for Members of the DACHS Scrutiny Committee what the bedroom tax/under occupation subsidy is and its consequences.

2. **What is ‘bedroom tax/under-occupation subsidy’?**

Since 1st April 2013, new housing benefit rules mean you won’t be able to get housing benefit to pay for all of your rent if your home has ‘spare bedrooms’. This is being called the ‘bedroom tax’, but other references may be to ‘size limit rules’, ‘under-occupancy’ or ‘under-occupancy rules’.

If you’re a Council or Housing Association tenant of working age receiving housing benefit and renting a home that has more bedrooms than you need, it’s likely that your housing benefit will be reduced. Pensioners claiming housing benefit won’t be affected.

The new limit on the number of rooms you can claim for is based on the number of people living in your home. If you have more bedrooms than the new Central Government rules say you need, you will be treated as ‘under-occupying’ your home. You’ll get less of your rent paid for by housing benefit.

If housing benefit no longer covers the full cost of your rent, you will have to pay the rest of the rent yourself. This must be paid directly to your landlord.

3. **Who is affected by ‘bedroom tax/under occupation subsidy’ from April 2013?**

‘Bedroom tax’ will affect Council and Housing Association tenants of working age (below state pension age) who claim housing benefit to pay some or all of their rent.

You will only be affected if you are assessed as having 'spare' rooms. There will be a limit on the number of rooms that housing benefit will pay for. Any rooms you have above the limit will be treated as spare rooms. You will be expected to pay the rent on these extra rooms yourself.

The 'bedroom tax' will affect housing benefit claims for both new and existing claims from April 2013. However, if you have not claimed housing benefit in the 52 weeks before making a new claim, the 'bedroom tax' reduction won't apply for the first 13 weeks of your claim.

4. **Who won't be affected by 'bedroom tax'/under occupation subsidy?**

The 'bedroom tax' won't affect you if you (or your partner) have reached state pension credit age. On 1st April 2013, when the bedroom tax starts, you will have reached state pension credit age if you are a man or woman aged 61 years and 5 months.

You can check if you are of pension credit age by using the [Gov.uk state pension age calculator](#).

The reduction to housing benefit for households with extra bedrooms also won't apply to:

- People living in shared ownership properties,
- People living in caravans, mobile homes and houseboats,
- People living in some types of supported accommodation,
- Homeless people housed in temporary accommodation provided by the Council (unless it is owned by the Council).

5. **How much will the housing benefit be reduced by?**

Before the 'bedroom tax' changes, housing benefit calculations counted 100% of your 'eligible rent' as a starting point for assessing how much housing benefit you would be paid. 'Eligible rent' covers rent charges but not other charges such as heating that you may also pay to your Council or Housing Association landlord.

From 1st April 2013, if you have more bedrooms than the new 'bedroom tax' rules say you need, your 'eligible rent' will be reduced:

- 14% will be taken off if you have one extra bedroom.
- 25% will be taken off if you have two (or more) extra bedrooms.

You may have to pay more – this will depend on your circumstances, income, savings and contributions from adults who live with you.

6. **How many bedrooms can you claim housing benefit for?**

From April 2013, new rules on 'under occupancy' mean that you can only claim housing benefit for:

- One bedroom for a couple.
- One bedroom for a person aged 16 or over.
- One bedroom for two children aged under 16 of the same sex.
- One bedroom for two children aged under 10 (boys and girls are expected to share a room).
- One bedroom for any other child.
- One extra bedroom if you or your partner needs an overnight carer to stay.

Children who don't normally live with you are not included in the calculation of the number of bedrooms. If you share the care of a child, the child is counted as living in the home of the person who gets child benefit for them.

A severely disabled child who needs a room of their own won't be required to share a room. The Council will make a decision on if an extra room is needed. The Council should take into account the severity of a child's disability (including medical evidence and if an award of disability living allowance has been made) and how regularly another child's sleep would be disturbed if they shared a room.

One extra room is allowed for approved foster carers who are fostering a child or children. You can keep the room allowance for an empty room set aside for a foster child if you became an approved foster carer or have fostered a child in the last 12 months.

If you are adopting a child or children, they are counted for the room allowance once an adoption order is made. If children are placed with you before adoption, you are allowed one room only for them.

A room is counted for a member of the armed forces who is serving away, providing they intend to return to your home.

For students away from home, a room will be counted providing they are only away temporarily (less than 52 weeks) and intend to return home.

7. **How you could be affected by 'bedroom tax'/under occupation subsidy**

You won't be allowed to claim housing benefit for 'extra' rooms that are used for:

- Children visiting a divorced or separated parent.
- Couples who use separate bedrooms because of illness or disability.
- Rooms used by disabled adults to store medical equipment.

8. **How you will pay rent under the new rules?**

If the housing benefit you receive at the moment doesn't cover all your rent and other charges, you may already be paying your landlord the difference between the housing benefit and the rent. If you are affected by the new 'bedroom tax' rules, the amount you pay may go up, but you will pay your landlord in the same way.

Until now, housing benefit may have covered the full cost of your rent. But from April 2013, being classed as 'under-occupying your home' will mean that you will receive a reduced amount of housing benefit. You will have to start paying some of your rent yourself.

9. **Current position in Dudley**

As in common with most changes in legislation/regulation, it did not happen over night and the far reaching implications for the changes in Welfare reform (and the bedroom tax in particular) meant that it was both promoted and debated in the media. It was clear that in addition to the bedroom tax having the potential to impact on an individual or family's income, it could also have financial implications for housing organisations through loss of rental income. It should be noted that the financial risk will become significantly greater with the introduction of Universal Credit, although this is outside of current scrutiny remit.

The two elements are clearly linked and Dudley took the approach that it we could alert customers in advance of the change that could prepare for the loss of income and takes steps to make financial provision to ensure that their homes were not placed at risk through non payment of rent. Although recognising the hardship that people may have to face, we had to advise people that rent must be a priority and that non payment could place their home at risk. It was recognised that people would have to make choices about their life styles.

Recognising that customers may have a number of issues, the decision was taken to work in partnership with the Citizen's Advice Bureau and to supplement their general service with the provision of a hotline which was operational from March '12 to March '13.

Although the number of people subject to bedroom tax will vary, we took a point in time and tried to contact every individual on this list.

Help was offered in a number of different ways to include referrals to Citizen's Advice Bureau for welfare benefit and budgeting help, referrals to housing options to consider rehousing possibilities. A full analysis of this will be available for scrutiny.

A fact sheet was also sent out to each tenant, which was and is updated regularly to reflect any changes.

As at 1st April 2013 there were 3,333 households that were subject to the under occupation subsidy and as at the 30th June 2013 this has reduced to 2785 (16.44% reduction). It was understood that the figure was never going to be static and were aware of around 200 people attaining pension age shortly after the 1st April 2013 but it is more difficult to accurately account for the balance. We are aware, for example, that there has been an increase in the number of households that downsized their property. The figures show that from April 2013 - June 2013 (quarter 1), 81 households moved to smaller accommodation this is compared with the total for the financial year April 2012 to March 2013 of 181 households.

Recognising the need to understand reasons/trends the data collected has been refined and is being recorded as from 1st July 2013. This will initially be assessed in Q2.

The impact of bedroom tax on rent accounts (numbers)

	31-Mar	30-Jun
Total bedroom tax	3333	2785
Clear	1988	887
Bedroom Tax Arrears	1345	1898

The impact of bedroom tax (£)

Rent arrears of those impacted by the bedroom tax

1 st April '13	30 th June '13
£198,125	£302, 936

An increase of **£104,811**

Members will recall that prior to implementation a worse case scenario had been calculated, that being the potential of losing £46,000 per week (£555,000 per quarter). This did not materialise and 81% of the potential lost income was in fact collected. This must include households that are maintaining rent payments by using their savings to pay, or where discretionary housing payments are making up the shortfall.

From the total of accounts subject to the under occupation subsidy that are in arrears there are 39 that have reached Court stage. The arrears on these 39 cases are solely attributable to the under occupation subsidy. These cases are now at the stage of being entered into Court for possession proceedings.

For all households that are in arrears we have applied our rent arrears procedure which includes referrals to the Citizens Advice Bureau, referrals for Discretionary Housing Payments and signposting for any assistance on the housing options that are available to them.

This report has centred on bedroom tax and a greater analysis of statistics and emerging trends will be given on the night.

10. **Implications of Welfare Reform**

Members of the Scrutiny Committee requested baseline data to be provided. Attached is a list of performance indicators complete with end of year data. It is being populated with Q1 data which will be available to members at the scrutiny committee.

Welfare Reforms Performance Indicators 2013/14

Domain	Owner	Data owner	Measure	Baseline figures for year 2013/14	Qtr 1 2013/14	Qtr 2 2013/14	Qtr 3 2013/14	Qtr 4 2013/14					
Homelessness and Migration	Sian Evans	Hayley Rowley	How many applications accepted as homeless	171									
		Hayley Rowley	How many applications accepted as homeless and owed the main housing duty										
		Hayley Rowley	Number of Homelessness approaches	2099									
		Hayley Rowley	Number of Homelessness approaches exclusive of applications owed the main housing duty										
		Hayley Rowley	How many cases with homelessness prevented by interventions (Including preventions by partner agencies)	577									
		Hayley Rowley	Number of households in temporary accommodation at end of year/quarter	55									
		Hayley Rowley	Number of applications accepted as homeless, but not owed the main duty										
		Hayley Rowley	Number of households in temporary accommodation outside of the borough at end of year/quarter	4									
		Wendy Massey	Total number of voids per quarter	594									
		Wendy Massey	Number of new voids per quarter	408									
		Wendy Massey	Number of "no wait" properties	53									
		Cheryl Scriven	Number of tenancy failures all reasons	Future collection									
Sian Evans	Number of households on housing register at end of year/quarter	6532											
Financial risk to Housing Revenue Account	Robert Murray / Michele Darlington	Jo Price/Yvonne Steele	Arrears balance at end of year/quarter	1,250,474.75									
		Lisa Lawley	Rent arrears of current tenants as a proportion of the authorities rent roll	1.60%									
		Jo Price/Yvonne Steele	Number of tenants in arrears	5199									
		Michele Darlington	Number of households to whom discretionary housing payments were awarded at end of year/quarter	718									
		Hayley Rowley	Landlord claims for possession (includes private sector landlords)	700									
		Hayley Rowley	Mortgage claims for possession	304									
		Cheryl Scriven	Tenancies ended due to welfare reforms/affordability issues plus FT arrears balance provided (total)	Not currently recorded. Information will be collated from 1st July 13									
	Robert Murray / Sian Evans	Yvonne Steele/Jo Price	Number of households affected by the spare room subsidy as at 5th February 2013	3,333									
		Yvonne Steele/Jo Price	Number of households underoccupying by 1 bedroom	2,649									
		Yvonne Steele/Jo Price	Number of households underoccupying by 2 bedrooms	652									
		Yvonne Steele/Jo Price	Number of households underoccupying by 3 bedrooms	32									
		Sian Evans	Number of households that have downsized at end of year/quarter	38									
	Michele Darlington	Michele Darlington	Total households affected by the benefit cap at end of year/quarter, (figure includes the private sector)	181									
	Michele Darlington	Michele Darlington	Number of Council households affected by the benefit cap	100									
	Michele Darlington	Michele Darlington	Number of private sector tenants affected by the benefit cap	81									
	Robert Murray	Robert Murray	Cases referred to CAB for welfare and debt advice from housing										
	Cheryl Scriven	Cheryl Scriven	Tenancies ended with termination reason Affordability - Welfare Reform	Future Collection									
Customer responses to Welfare Reform	Robert Murray	Sue Barker	Service requests/complaints to complaints team regarding Welfare Reform	Future collection									
		Sean Beckett	Related SRQs DCP per quarter	Future collection									
		Sue Barker	Elected member and MP enquiries number each quarter										

Discretionary Housing Payments

Michele Darlington
August 2013



What are Discretionary Housing Payments?

- Discretionary Housing Payments (DHP's) are discretionary awards, administered by the LA, Which are used to cover the shortfall between Housing Benefit and the full rent.
- They can be made to council, housing association or privately rented tenants.
- The scheme should be viewed as a short term 'fix' to help families in exceptional circumstances during a transition period in their lives.
- The scheme has been in operation since 2001, however with the introduction of changes to the Housing Benefit scheme since 2008, more funding has been allocated annually to the local authority by central government.

Main features of the scheme

- The claimant must evidence financial hardship
- the scheme is purely discretionary; a claimant does not have a statutory right to a payment
- the amount that can be paid out by an authority in any financial year is cash limited by the Secretary of State
- DHP's are not a payment of Housing Benefit or Universal Credit
- The schemes intention is for a short term award to be made, designed to alleviate poverty whilst the applicant finds other suitable alternative accommodation or alters their financial situation
- Awards periods are normally for 13 weeks , but can vary from as little as 1 week to a year
- Awards for periods over a year will be considered in exceptional circumstances

Main Criteria

- Must be in receipt of Housing Benefit and have a rental liability
- Must be unable to meet the need from their own resources
- Prevent homelessness

Qualifying factors

- Income / expenditure
- Health
- Children's age- proximity to schools
- pregnancy
- Property considerations- needs and adaptations
- Sustaining employment

Last year

- Budget of £163,918
- 466 claims paid with help for rental costs
- 300 refused
- Total claims received for housing costs 766
- £109,843 spent
- Average claim paid £235.76
- Under spent budget

This year

- Budget of £494,398 Government Contribution
- Total fund £1,235,995 (can be topped up to this figure by the LA)
- 374 claims paid with help for rental costs
- 300 refused
- 158 still awaiting adjudication
- Total claims received for housing costs 832
- £95,506 committed
- Average claim paid £255.36
- Over spent budget likely

(period covered 1/4/13-30/6/13)

National picture

- 102 English Councils surveyed
- Nationally 4,401 applications received April 2012
- 17,673 applications received April 2013
- 302% increase on the previous year

(Inside Housing 12/7/13)

Neighbouring authorities position

- Walsall

Government contribution £590,745 (total fund £1,476,863)

313 awards, 50 refusals, 200 yet to be adjudicated

- Sandwell

Government contribution £739,954 (total fund £1,849,885)

Committed spend up to 30th June 2013 £187,758

- Wolverhampton

- Government contribution £633,653 (total fund £1,584,133)

What next – what should we consider?

- Health and welfare of applicants
- Health and welfare of staff
- Do we need to change the scheme- resource hungry
- Increased demand on already limited staffing resources
- Reallocation of staff has created large backlogs in work
- Potential to require 'top up' of fund- consideration required at member level



Dudley Metropolitan Borough Council

Discretionary Housing Payments Policy

From April 2013

Table of Contents

1. Background
2. Finance
3. Statement of objectives
4. Claiming a DHP
5. Period of award
6. Awarding a DHP
7. Repeat claims
8. Ineligible amounts
9. Changes of circumstances
10. Backdating
11. Method of payment
12. Notification
13. The right to a review
14. Overpayments
15. Publicity
16. Fraud
17. Monitoring arrangements
18. Review of the Policy

1. Background

1.1 The Discretionary Housing Payment (DHP) scheme covers shortfalls between rental liability and payment of Housing Benefit and Universal Credit, and is used to support the most vulnerable customers who are in financial need.

Every claimant who is entitled to the minimum amount of Housing Benefit or Universal Credit and who has a shortfall is entitled to make a claim for help.

It should be noted that this is an interim scheme, as it is acknowledged that it will need to evolve and develop as welfare reform changes introduced by the Government start to affect the residents of the borough, and the level of ongoing Government funding after 2013/2014.

1.2 The main features of the scheme are that

- The claimant must evidence financial hardship
- the scheme is purely discretionary; a claimant does not have a statutory right to a payment
- the amount that can be paid out by an authority in any financial year is cash limited by the Secretary of State
- DHP's are not a payment of Housing Benefit or Universal Credit

For DHP to be considered there has to be a rental liability and Housing Benefit /Universal Credit must be in payment in the benefit week that a DHP is awarded for.

2. Finance

2.1 Annually there is a central government fund allocated to the Council for Discretionary Housing Payments. On top of this there is an overall permitted limit that the Local Authority contributes to if the need arises.

2.2 Nationally the Government has allocated £155 million to this fund.

2.3 For 2013/2014 the Government contribution available in Dudley is £494,398.

2.4 The additional funding given by the Government towards DHPs is not based on replacing lost benefits as a result of welfare reforms. To do so would undermine the purpose of the reforms.

3. Statement Of Objectives

3.1 A senior benefits assessor will consider making a payment of DHP to a claimant who meets the qualifying criteria, and have considered moving to other suitable alternative accommodation other than the property in which they currently live. There also has to be sufficient funding available to allow payment. A senior assessor will treat all applications on their individual merits and will seek through the operation of this policy to:

- encourage claimants to seek other accommodation
- help sustain tenancies and prevent homelessness
- alleviate poverty
- allow people to remain in their homes if it is practical to do so
- encourage residents of the Borough to obtain and sustain employment
- support vulnerable people in the local community
- Safeguard residents in their own homes
- Support domestic violence victims who are trying to move to a place of safety
- Promote good educational outcomes for children and young people
- Keep families together
- Help people who are trying to help themselves

3.2 DHP awards should generally be viewed as short-term emergency funds rather than an ongoing top up payment in addition to individual benefit entitlement, and should not be the solution to any future entitlement restrictions set out within Housing Benefit or Universal Credit legislation.

3.3 The DHP award is designed to give claimants time to take other action and make choices in their lifestyle which may assist their position. This may include looking for cheaper alternative accommodation, seeking budgeting or debt advice or adjusting to their changed circumstances.

4. Claiming a DHP

4.1 A completed claim form is required for verification purposes.

4.2 Verification of financial expenditure and evidence of effort to find other alternative accommodation will be required to assess eligibility.

5. Period of Award

5.1 In all cases the length of time for which a DHP will be awarded will be based on the particular circumstances of the case.

5.2 The start date of an award will normally be the Monday after the claim for a DHP is received.

5.3 The minimum period for which a DHP will be awarded is one week.

5.4 Where a claimant is affected by social sector size criteria legislation, and there are children who will reach a qualifying date for an extra bedroom in that year, on qualification, a DHP may be made up to the Sunday following their birthday.

5.5 Where possible when primary school aged children are involved, or in the case of older children, it is an examination year, a DHP may be paid until the end of the academic year.

5.6 Where a claimant or partner is pregnant, consideration will be given to the bedroom requirement needed once the child is born.

5.7 A DHP can be awarded for a period exceeding twelve months in exceptional circumstances with the agreement of the Assistant Director of Corporate Resources (Customer Services).

6. Awarding a DHP

6.1 In deciding whether to award a DHP the following factors may be considered:-

- If the claimants explored all the choices available to them financially
- Has the claimant explored other alternative suitable accommodation, both in the social rented and private rented sectors?
- If the claimant is registered on the Councils transfer or exchange list and has made bids on other appropriate properties
- Whether the property has been purpose built or substantially adapted for the needs of a resident disabled claimant
- If they are foster carers, including those between foster placements
- Any shortfall created by size criteria / Local Housing Allowance/ Benefit Cap changes
- The medical circumstances of the claimant, their partner and any other occupants of the claimant's home
- If the DHP will prevent homelessness and increase tenancy sustainment
- Any steps taken by the claimant to reduce rental liability
- The level of debt / loans of the claimant or their family, and the duration of the loan period
- The DHP award helps to sustain employment (including increased travel costs)
- Increases in essential work or school related travel because a customer or dependant has had to move home
- If the claimant has agreements for satellite or cable TV /mobile phones /gym fees etc the amount paid should be considered and may be classed as expenditure until the contract they are tied into ends, the DHP then may reduce
- Rent deposits and rent in advance (this can only be considered when the claimant is currently in receipt of Housing Benefit or Universal Credit.)

- Allowing DHP on two homes
- Shortfalls due to non-dependant deductions

6.2 Benefit Services will decide how much to award based on individual circumstances. Any award of a DHP does not guarantee that a further award will be made at a later date even if the claimant's circumstances have not changed.

6.3 Claimants should demonstrate that expenditure has been reduced or suitable alternative accommodation has been sought prior to a further award being made.

7. Repeat claims

7.1 Repeat claims will be considered on a case by case basis.

8. Ineligible amounts

8.1 DHPs cannot be paid for the following items: -

- A shortfall in income resulting from a permanent DWP sanction, including Job Seekers Allowance
- Ineligible service charges (including water charges)
- An increase in rent charges due to the recovery of rent arrears
- If any other expenditure deemed unnecessary has been undertaken by the claimant
- Rent, where the person is receiving a reduction in Council Tax through the council tax reduction scheme but not receiving Housing Benefit or Universal Credit
- Shortfalls caused by the recovery of Housing Benefit overpayments

9. Changes of Circumstances

9.1 Claimants have a duty to notify Benefit Services of any changes in circumstances.

9.2 It may be required to revise the amount of an award or the period a DHP is paid for where the claimant's circumstances change.

10. Backdating

10.1 Will be allowed in exceptional circumstances only by agreement with a senior Benefits manager.

11. Method of Payment

11.1 Payments of DHPs will be made to the payee of Housing Benefit. The frequency of payments will be made in line with the payment of Housing Benefit.

12. Notification

12.1 The claimant will be notified in writing of the outcome of their application. Where the application is successful the claimant will be advised:

- of the weekly amount of DHP awarded
- of the period of the award
- of the requirement to report a change of circumstances
- that repeat awards will only be made in exceptional circumstances

12.2 Where the application is unsuccessful the claimant will be given reasons why this decision was made.

13. The Right to a review

13.1 An applicant or their appointee can request a review of the decision. Reasons to request a review may include:

- That there has been a factual error based on the decision made
- That there has been an oversight on a significant piece of evidence
- That new evidence has been provided which was not included with the original application.

13.2 A request for a review must be made, in writing, within 1 calendar month of the date of the decision to the Council's Head of Benefits Services. The review will be conducted by a manager not involved in the original decision.

13.3 If, following a review, the applicant remains dissatisfied with the outcome, a request for a second and final review can be made, in writing, within 14 days of the date of the first review decision to the Assistant Director of Corporate Resources (Customer Services).

14. Overpayments

14.1 Any overpayment of DHP not caused by an 'official error' will be recoverable. The decision letter that notifies an overpayment will also set out the right of review.

15. Publicity

15.1 The scheme will be publicised. A copy of this policy is available on the Dudley Council web site.

16. Fraud

16.1 The Council is committed to the fight against fraud in all forms. A claimant who tries to claim a DHP by falsely declaring their circumstances or by providing a false statement or evidence in support of their application may have committed an offence under the Theft Act 1968. Where it is suspected that a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.

17. Monitoring arrangements

17.1 As a result of the increased funding there is a DWP requirement to monitor how DHPs are being used to support customers affected by the welfare reforms, and provide a broad breakdown of expenditure.

17.2 Following a successful application for DHPs, we will record the main reason for the award, as detailed below:

- i) to support customer affected by benefit cap.
- ii) to support customer affected by social sector size criteria.
- iii) to support customer affected by LHA reforms.
- iv) any other reason.

18. Review of the Policy

18.1 This policy will be reviewed during the 2013/14 and will take into account the views of stakeholders.

18.2 The amount of DHP funding available will always be a determining factor for the ongoing review of this policy.

Briefing Note – Corporate Resources

Subject: Discretionary Housing Payments

Date: 30th July 2013

To: DACHS Scrutiny Committee

From: Michele Darlington, Policy Officer Benefit Services Division.

Purpose of Briefing Note

To outline for Members of the DACHS Scrutiny Committee what Discretionary Housing Payments are and how they are used.

What is a Discretionary Housing Payment?

The Discretionary Housing Payment (DHP) scheme covers shortfalls between rental liability and payment of Housing Benefit and Universal Credit, and is used to support the most vulnerable customers who are in financial need.

Every claimant who is entitled to the minimum amount of Housing Benefit or Universal Credit and who has a shortfall is entitled to make a claim for help.

This is an interim scheme, as it is acknowledged that it will need to evolve and develop as welfare reform changes introduced by the Government start to affect the residents of the borough, and the level of ongoing Government funding after 2013/2014.

The main features of the scheme

- The claimant must evidence financial hardship
- The scheme is purely discretionary; a claimant does not have a statutory right to a payment
- DHP's are not a payment of Housing Benefit or Universal Credit
- For DHP to be considered there has to be a rental liability and Housing Benefit /Universal Credit must be in payment in the benefit week that a DHP is awarded
- Discretionary Housing Payments can be made to tenants in the private sector, who pay their rent to a landlord, and to people who reside in housing association or council owned properties.
- Discretionary Housing Payments cannot be made to cover the cost of fuel, water or food charges.
- The amount that can be paid out by an authority in any financial year is cash limited by the Secretary of State

Finance

Annually there is a central government fund allocated to the Council for Discretionary Housing Payments. On top of this there is an overall permitted limit that the Local Authority can contribute to if the need arises.

For 2013/2014 the Government contribution available in Dudley is £494,398.

The overall permitted total for the fund is £1,235,995.

Dudley can choose to top up the fund from budgets by £741,597.

Discretionary Housing Payments should be used to:-

- encourage claimants to seek other cheaper and appropriate accommodation
- help sustain tenancies and prevent homelessness
- alleviate poverty
- allow people to remain in their homes if it is practical to do so
- encourage residents of the Borough to obtain and sustain employment
- support vulnerable people in the local community
- Support domestic violence victims who are trying to move to a place of safety
- Promote good educational outcomes for children and young people
- Keep families together
- Help people who are trying to help themselves

DHP awards should generally be viewed as short-term emergency funds rather than an ongoing top up payment in addition to individual benefit entitlement, and should not be the solution to any future entitlement restrictions set out within Housing Benefit or Universal Credit legislation.

The DHP award is designed to give claimants time to take other action and make choices in their lifestyle which may assist their position. This may include looking for cheaper alternative accommodation, seeking budgeting or debt advice or adjusting to their changed circumstances.

Decision making process

All awards are made on their individual merits considering the income, expenditure, household and other circumstances of the applicant.

Current position in Dudley

In the first quarter of 2013-2014 we have received 832 applications for help. In contrast we received 766 in the whole of 2012-2013.

374 awards have been made, and 300 have been refused. 158 claims are still being processed.

Out of the 374 awards, 245 of these have been made because of the under-occupancy changes introduced in April. (Also known as 'the bedroom tax')

We have committed to spend £95,506 out of the Government contribution available to Dudley of £494,398.

The increased numbers of award requests and the emotional strain of dealing with applicants who are under considerable financial difficulty have resulted in considerable strain on staffing resources within the Division.

Local Welfare Assistance

Kim Ellis
August 2013



Background to changes

- DWP Community Care Grants and Crisis Loans (commonly known as “Social Fund”) abolished 31.3.13 - replaced by locally administered schemes .
- Cabinet approval February 2013 for Dudley’s transitional scheme; Local Welfare Assistance.
- Scheme administered by Benefit Services & DC+
- Funding for 2013/14
 - Admin & set up; £153,402
 - Award fund; £693,159

Main features of the scheme

- Two types of awards
 - Crisis awards – to help people with an immediate crisis that poses a significant risk to health & safety.
 - Community care awards - to help people remain in the community, establish themselves in the community or to resolve an exceptional pressure
- No cash awards, no loans.
- Third sector partners assisting with delivery of awards.
- Freephone & local rate telephone number , self serve internet , third party referrals .

Main Criteria

- Must meet Dudley residency criteria
- Must be 18 or over
- Must be unable to meet the need from their own resources
- No more than 2 awards per year
- Must not be in an excluded group
 - Those who do not meet habitual residency
 - Those subject to immigration control
 - Those not in receipt of appropriate benefit
 - Those subject to benefit sanction / disallowance

How needs are met

Food	Black Country Foodbank Supermarket vouchers
Energy	Paypoint top up vouchers
Furniture	St Thomas' Community Network Loaves & Fishes Mary Stevens Hospice DMBC purchase card
White Goods	Geoff Hill
Clothing	Black Country Foodbank Loaves & Fishes Supermarket vouchers
Household goods	St Thomas' Community Network Loaves & Fishes Mary Stevens Hospice Supermarket vouchers DMBC purchase card

Local Welfare Activity – the first 3 months.

	April	May	June
Calls handled	684	601	544
Applications submitted	182	123	122
Awards granted	107	77	86
Awards refused/withdrawn	75	46	36
Crisis award spend	£1,335.95	£614.40	£1,578.34
Community care award spend	£6,668.42	£6,274.69	£1,2456.83

Type of awards made

	April	May	June
Food awards	76	57	56
Energy awards	64	42	42
Furniture/carpets /household items	6	14	27
White goods	19	15	21

Reasons for awards (20% sample)

Benefit delay; new claim or change of benefit	27
Moving to new home	9 <ul style="list-style-type: none">•Homelessness 3•Resettlement 2•Essential item needed 2•Other 2
Money spent / lost / stolen	10
Broken “essential” household item	3
Leaving prison	1

Reasons for refusals (20% sample)

Scheme criteria not met	7
Personal /household resources available	5
Requested evidence /information not supplied	3
Referred to other sources of help	2
Other	3

Lessons learnt

- Transitional policy is appropriate.
- Food and energy awards not always realistic .
- Each case is treated on its own merits, considering specific impact of circumstances on a particular individual.
- Need to be non judgemental .
- Underspend and different approach validates the decision to change how the “ social fund” operates.

Successes

- Excellent relationship with third sector partners
- How we deliver awards is working well
- Positive feedback
 - speed of decisions
 - ease of contact
 - being able to deal with the same person
 - empathetic staff

What next ?

- Policy review – use our experience so far to improve our policy.
- Continue to raise awareness of the scheme with other agencies and support services.
- Monitor & review the reliance/impact on third sector
- Continue to develop working relationship with DWP – operational meetings & visits.
- Improve team skills & knowledge of other sources of help - ‘live 4 less’ training
- Review impact of other issues - school holidays , winter weather, social sector under occupancy charge.
- Improve working knowledge of Northgate computer system – use this more effectively

Briefing Note – Corporate Resources

Subject: Local Welfare Assistance

Date: 30th July 2013

To: DACHS Scrutiny Committee

From: Kim Ellis, Senior Team Manager , Dudley Council Plus, Customer Services.

Purpose of Briefing Note

To outline for Members of the DACHS Scrutiny Committee the Local Welfare Assistance scheme, who the scheme is intended to assist and how awards are fulfilled.

What is the Local Welfare Assistance scheme?

The Local Welfare Assistance scheme (LWA) is a discretionary award scheme, set up in April 2013 to provide the following assistance;

- Crisis Awards - these awards provide short term access to essential items i.e. food, heating, lighting, clothing, white goods and furniture.
- Community Care Awards - these aim to help people remain in the community or move back into the community by providing a range of standard items such as beds, bedding, furniture or white goods.

Prior to April 2013 similar assistance was provided by the Department of Work & Pensions (DWP) in the form of crisis loans and community care grants, known as the "Social Fund".

Cabinet approval for the LWA transitional policy was given in February 2013, the scheme is administered by Benefits Services and Dudley Council Plus.

Qualifying criteria and exclusions.

The scheme has both qualifying criteria and exclusions, these are detailed in the LWA transitional policy document .

Finance

Dudley received the following funding for 2013/14

- Admin & set up; £153,402
- Award fund; £693,159

How to apply

Customers can apply by telephone using either a free phone or local rate number. LWA advisors will discuss the customer's circumstances and either signpost to alternative sources of help e.g DWP or complete an application form. Alternatively customers can apply on line. Applications from third parties e.g support workers, are actively encouraged.

Assessment and decision making process

Core eligibility and scheme exclusions are checked and the customer's individual circumstances and needs are considered. All awards are made on their individual merits considering the income, expenditure, household and other circumstances of the applicant. Consideration is given to whether the needs could be met elsewhere. Where appropriate, supporting evidence will be requested from other agencies. Customers making repeated applications or who are having difficulty with budgeting may be referred to other agencies for assistance.

How awards are made

Awards are not made in cash. Food is awarded using either referrals for Black Country Food bank or supermarket food vouchers, fuel is awarded using pay point top up vouchers, appliances are provided direct from a white goods supplier and the third sector provides furniture, household items and clothing. This award mechanism is mirrored throughout the country with 81% of local authorities choosing not to give cash.

Current position in Dudley

In the first quarter of 2013-2014 we received 1829 enquiries, resulting in 427 applications being submitted. Of the submitted applications 270 awards have been made.

Total spend in this quarter is £28928.63, with Crisis awards totalling £3528.69 and Community Care awards £25399.94.

Compared to DWP spending in previous years, LWA awards and spending in the first quarter has been less than anticipated. This is mirrored by our neighbouring local authorities, the decision not award cash may be a contributory factor. However it is anticipated that during the summer school holiday period we may see an increase in applications, due to children not receiving free school meals and the impact on household budgets. In addition the impact of other welfare reforms and increased household expenses during the winter months may also increase applications for crisis awards in the future.

