

DECISION NOTICE OF AN INDIVIDUAL MEMBER OF GWYNEDD COUNCIL CABINET

DATE OF DECISION 20 March 2017

DATE DECISION PUBLISHED 21 March 2017

DATE DECISION WILL COME INTO FORCE and implemented,
unless the decision is called in, in accordance with section 7.25 of
the Gwynedd Council Constitution. **28 March 2017**

Councillor Ioan Thomas

SUBJECT

Discretionary Housing Payment Scheme for 2017/18

DECISION

To authorise as noted in the Officer Report

REASON WHY THE DECISION IS NEEDED

Please see the Officer Report

DECLARATIONS OF PERSONAL INTEREST AND ANY RELEVANT DISPENSATIONS APPROVED BY THE COUNCIL'S STANDARDS COMMITTEE

None

ANY CONSULTATIONS UNDERTAKEN PRIOR TO MAKING THE DECISION

Consultation with
Gwynedd Council Statutory Officers

The results of the consultations are reported upon in the attached report

**DECISION NOTICE OF AN INDIVIDUAL MEMBER OF GWYNEDD COUNCIL
CABINET – OFFICER REPORT**

Name and title of Cabinet Member/s:	Councillor Ioan Thomas, Cabinet Member for Housing, Customer Care and Libraries, Deprivation and Equality
Name and title of Report Author :	Dewi Morgan, Senior Manager Revenues and Risk
Date of Decision :	20/3/17
Signature of Cabinet Member/s :	

Subject :

Discretionary Housing Payment Scheme for 2017/18

Recommendation for the Decision :

Adopt the local scheme (in the Appendix) for providing Discretionary Housing Payments (DHP) to claimants where the housing benefit received does not cover the full rent that is payable.

Reason why Decision is needed :

Gwynedd Council receives funding from the Department of Work and Pensions to be distributed at its discretion to individuals and / or families who need extra help with their housing costs. These Discretionary Housing Payments (DHP) are in addition to Housing Benefit that is payable, and is used to go some way to filling the gap when the Housing Benefit is insufficient to cover all the rent.

As well as a basic allocation, since July 2013 Gwynedd Council has received an additional allocation to provide assistance to families that are affected by the Government policy of removal of the spare room subsidy (the "Bedroom Tax"), which reflects the situation that Gwynedd is among the 21 most rural local government areas in the UK. The Council will receive £726,374 in 2017/18 (compared to £659,887 in 2016/17), which includes the additional payment to reflect the status of Gwynedd as a "rural county".

By definition, DHP is provided at the discretion of the Council. Every effort is made to ensure that decisions to make such payments are transparent and on merit, and since 2015/16 the Council has had a written policy in order to reinforce and support this. Gwynedd Council worked with other local authorities in Wales to develop a common model for distributing DHP; this model was the foundation for the Council's policy, but it has been adapted to reflect local needs. Further, some changes were made to our local policy for 2016/17 since that of the previous year, in order to

ensure that the higher level of support that the Council is to receive is distributed to those who need it.

Adopting a local policy will not prevent us from addressing individual cases where there are exceptional circumstances.

Reason and justification behind the Decision :

The Policy for 2015/16 was adopted in March 2015. This was the first time that the Council had introduced a written policy, and it was explained at the time that the Policy was based on the output of a Welsh DHP project that had been undertaken in collaboration with the WLGA, with Gwynedd Council taking part in the project.

Since the Government only confirm the funding of the DHP programme on an annual basis, a new policy must be adopted every year.

For 2017/18, not only has the "rural county" element been retained, but the basic DHP allocation has also increased, thereby increasing the total from £659,887 to £726,374. Although there is an increase in the funding available, it is expected that the Government's lowering of the benefit cap will increase the demand for discretionary housing payments in 2017/18. It is therefore reasonable to keep the Policy 2017/18 unchanged from the Policy for 2016/17.

Confirmation of the level of funding for 2017/18 was not received until 1st March 2017, which makes it impossible to consult before the Policy must come into force. However, the draft policy for 2016/17 was shared with stakeholders such as Housing Associations, the Health Board and representatives of the Third Sector during February 2016 and one response was received. After considering the result of the consultation, the Policy a change was made (by adding another cohort to Priority Group A, the highest priority group) which remains in place for 2017/18.

It should be noted that the level of DHP allocation to Gwynedd Council is not guaranteed beyond 2017/18.

Declarations of personal interest by any Cabinet Member consulted with and any relevant dispensations approved by the Standards Committee

None

Any consultations undertaken prior to making the decision :

Chief Executive – Nothing to add to the report.

Head of Finance – I have worked with the Cabinet Member in preparing this notice and can confirm the accuracy of its content.

Monitoring Officer – The aim of the decision is to provide clarity and consistency regarding the implementation of the Discretionary Housing Payment Scheme in Gwynedd and beyond. The system also provides for flexibility to allow exceptions or specific circumstances. This is a medium to ensure fairness and transparency which is to be welcomed.

Local Member/s – Not a local matter.



GWYNEDD COUNCIL

*OPERATIONAL POLICY FOR SHARING GWYNEDD'S
DISCRETIONARY HOUSING PAYMENTS (DHP)
ALLOCATION
2017/18*

MARCH 2017

DHP POLICY 2017/18:

INTRODUCTION

1. This policy sets out an agreed approach to deciding who should get a Discretionary Housing Payment (DHP) award for 2017/18. It is designed to make discretionary decision-making more systematic, consistent and transparent. It is not intended to impose a standard solution for all claims. The exercise of discretion remains at the heart of the scheme.
2. DHPs are paid from a cash-limited budget and are intended to help people meet housing costs, usually where there is a shortfall between their Housing Benefit (or housing element of Universal Credit) and their rent.
3. It is not possible to make an award in every case where there is such a shortfall. This policy is a way of helping to decide priorities for payment when demand exceeds supply, as will usually be the case.
4. Given that DHPs will inevitably have to be targeted at those who need them most, it is of course important to check at the outset that all DHP applicants are receiving their full entitlement to HB, as it would be wasteful to award a DHP in circumstances where additional HB could be paid instead.

KEY POLICY OBJECTIVES

5. In making decisions about priorities, there are some overall objectives:
 - To give all applicants as fair and consistent a decision as possible.
 - To make decisions that are designed to improve outcomes for people.
 - To spend the annual DHP budget and keep to a minimum any in-year changes to priorities (which may be needed to avoid overspends or underspends).
 - Generally to give greater priority to:
 - helping those who are making efforts to help themselves;
 - supporting those that have done all they can to manage their situation, and can't realistically do any more;
 - preventing negative outcomes such as homelessness which are likely to involve further hardship for the household as well as additional and avoidable costs for the Council.
 - The policy is intended to provide short term assistance whenever possible. There are no guarantees as regards future funding, and DHP payments cannot be regarded as a permanent solution to Welfare Reform cuts. There will also be an increasing number of people who will be looking for help from DHP as new measures such as the new Benefit Cap, and the freezing of allowances and LHA rates take effect. Universal Credit claimants will also have access to the fund.
 - The policy will therefore dissuade a culture of dependency on DHP payments, especially so when there are viable alternatives.

POLICY FOR DECIDING PRIORITIES

6. In order to meet these objectives, it is insufficient to simply make awards to certain broad *categories* of people (such as lone parents and disabled people). It is necessary to define which people in these and other categories should, as a rule, have the most priority.
7. The critical factors in deciding priorities are:
 - The financial circumstances of the household;
 - The priority group that the household is in;

- The extent to which members of the household are able, and willing, to manage the situation they are in, or can't be reasonably expected to do more;
- The wider financial consequences of not making an award.

All of these factors are covered in more detail in the following paragraphs.

Stage 1: Financial assessment

8. For all applications, a financial assessment is made, comparing income with expenditure. This is as simple as possible but sufficient to make a reasonable judgement. For the majority of applications all income and outgoings are considered and any capital taken into account. However, where a member of the household receives Disability Living Allowance (DLA) or Personal Independence Payment (PiP) the DLA/PiP income is excluded and some disability-related expenditure is also excluded. If there are non-dependants in the household, the income they contribute to the household is normally included in the financial assessment, though it is accepted that household expenditure on food and heating will be higher. The fundamental principle is that help should go to those who have no other means of meeting the need.
9. Therefore, the first test is whether or not a household's total commitments are equal to or exceed their income. Where DLA is in payment it is excluded from the calculation of income. All household expenditure is taken into account in calculating the household's total commitment unless DLA is in payment. In which case, expenditure on disability-related items, up to the level of the relevant DLA/PiP component, is excluded from total expenditure. Any disability-related expenditure above the level of the relevant component is included as household expenditure. If there is income available, or could be made available, sufficient to meet the shortfall in rent or other housing need, a DHP application will not normally succeed unless or until circumstances change.
10. If there is some income available, but insufficient to meet the shortfall in rent, the application for a DHP is processed and, if other criteria are met and it is decided to make an award, the available income is deducted from the award.
11. The test is slightly different in the case of lump-sum payments (e.g. rent deposits, rent in advance and removal costs). The test is in two parts:
 - a) Are there any savings that can meet the need?
 - b) If not, is income at or below expenditure, or not significantly above, and has the applicant no prospect of saving the amount needed?

Stage 2: Priority groups

12. Having applied the financial assessment, the second stage is to decide the priority to be given to the particular circumstances of each application. To make the process as simple as possible, the particular circumstances are put into five groups, A-E, in descending order of priority. See Annex 1 for details of each group.

Stage 3: Ability to manage the situation

13. The next stage is to look at general policy considerations. DHPs can often be most effectively used as a temporary measure whilst a household seeks a more long-term solution to the situation they are in. Where this is possible, higher priority is given to those who are actively taking steps themselves, for example those with an Local Housing

Allowance shortfall looking for cheaper accommodation, or those with spare rooms who are arranging to move or take in a lodger.

14. However, there are also some situations where a DHP may be needed for a longer period. There will be some households who cannot realistically alleviate the situation they are in by taking action themselves. For example, a household with a severely disabled member unable to work or take in a lodger, and who are already managing the household budget as effectively as possible. Such households are also given higher priority.
15. There are also households who are not currently helping themselves in the way described above but who are prepared to start doing so. In these cases, the DHP may be conditional on certain action being taken and the award may be of shorter duration.

Stage 4: Avoid further cost (and hardship)

16. DHPs can be used to help prevent further hardship such as eviction and the associated costs to the council of dealing with homelessness. The risk of losing a tenancy could arise for a number of reasons but no judgement is made about the factors giving rise to the problem. This criterion is simply about avoiding further cost and hardship.
17. However, it is unlikely to be viable to pay DHPs indefinitely in these circumstances. If a household is threatened with eviction, the situation cannot be left to continue indefinitely. A solution needs to be found, whether it is the provision of alternative accommodation or some action by the household to reduce arrears. The highest priority under this criterion is applied when there is a solution in sight.

PRIORITY SETTING MATRIX

18. In order to help with deciding priorities, a simple matrix is constructed, which combines priority groups with the policy considerations described above. Each applicant is given a baseline score based on the priority group they are in – the baseline scores are **A=12, B=9, C=6, D=3 and E=0**.
19. Additional points depend upon the extent to which the general policy considerations (stages 3 and 4 above) are met, and range from 0 to 9. The highest points (9) are awarded to those who are
 - a) actively trying to manage the situation they are in, or
 - b) can't reasonably do any more to help themselves, or
 - c) where paying a DHP avoids further cost to the council (and hardship to the applicant), particularly where a solution is possible.

If a), b) or c) above are met in part, six points are awarded and, if none of these considerations are met, no additional points are scored. Only one of the general policy considerations needs to be met to earn the highest score. No additional points are scored for meeting more than one consideration: this allows a fairly broad range of circumstances to be given a high or highest priority rating.

20. It is important not to apply the matrix rigidly in every case, *there will be individual cases that will fall outside the guidelines but which justify an award*

ONGOING PAYMENTS – Baseline Scores

Stage 3: Ability to manage the situation

Policy consideration and additional points		Priority groups and total points				
		A (12)	B (9)	C (6)	D (3)	E (0)
Ability to manage the situation – doing everything possible or cannot reasonably be expected to do any more. Complies with 19 a) or b) above	9	21	18	15	12	9
Ability to manage – commitment made Complies with 19 a) or b) above in part.	6	18	15	12	9	6
Ability to manage – not doing anything (but could do) Does not comply with 19 a) or b) above	0	12	9	6	3	0

Stage 4: Avoid further cost (and hardship)

Policy consideration and additional points		Priority groups and total points				
		A (12)	B (9)	C (6)	D (3)	E (0)
Avoid further cost/hardship – solution in sight Complies with 19 c) above	9	21	18	15	12	9
Avoid further cost/hardship – solution possible in time Complies with 19 c) above in part	6	18	15	12	9	6
Avoid further cost/hardship – no solution Does not comply with 19 c) above	0	12	9	6	3	0

Table of Scores:

21	highest priority
18	high
15	medium to high
12	medium
9	medium to low
6	low
3	lowest

21. The matrix can be used to assess an application in the first place, and also as a way of helping to ensure that decisions are as consistent as possible.

22. When a score has been established for each application, DHP will be granted according to the following tables for 2017/18,

Table (a) - Current claims where DHP is already in payment in 2016/17

Calculated Score	DHP award - % of shortfall (this is the maximum – see 27(a) to (d))	Maximum length of Award
21	75%	Up to 52 weeks
18	50%	Up to 52 weeks
15	40%	Up to 52 weeks
12	30%	Up to 52 weeks
9	20%	Up to 52 weeks
6	0	0
3	0	0

Table (b) – New claims where DHP is not in payment

Calculated Score	DHP award - % of shortfall (this is the maximum – see 27 (a) to (d))	Maximum length of Award
21	100%	Up to 26 weeks, followed by 75% for up to a further 26 weeks
18	75%	Up to 26 weeks, followed by 50% for up to a further 26 weeks
15	40%	Up to 52 weeks
12	30%	Up to 52 weeks
9	20%	Up to 52 weeks
6	0	0
3	0	0

23. *The above method will be used to make determinations for a period of 6 months from the 1st April 2017, and the policy will be reviewed at the end of that period.*

CONDITIONALITY

It's not anticipated that these provisions will need to be used often, but some awards will be made on condition that the applicant takes specific actions, and payments can be granted for shorter periods than those shown in the table at 22 above.

24. Most of the highest priority awards are paid unconditionally, either because there is not likely to be any short-term change in the circumstances giving rise to the DHP, or the household is already doing everything possible to manage the situation they are in.
25. All other awards are subject to at least some conditionality, designed to encourage the applicant to resolve the shortfall in rent without access to DHPs. The extent of the conditionality depends on the circumstances – in some cases it will be relatively light, but more strict in others. In many cases, conditionality will involve signposting to support and advice agencies.

REPEAT AWARDS/EXTENSIONS

- 26.** An award may be extended for a short period, without the need for a new application, in certain circumstances:
- Where a request has been made by support workers for a valid reason;
 - When awaiting a change of events (e.g. house move, birth of child);
 - When further time is required to meet the conditions attached to an award.

PARTIAL / FULL AWARDS

- 27.** Awards can be made for a weekly amount which will meet the shortfall between the rent and Housing Benefit payable in full. However, the Council will make partial awards in most cases due to budget restrictions, and also because there may be occasions when it will be more appropriate to make a partial award, as described in a) to d) below:
- a)** Some income is available to the household, but not enough to pay the shortfall, including situations where more income becomes available because debts are paid off.
 - b)** There is a deliberate policy to allow a household to adjust gradually to a new situation, such as the Social Size Criteria (“bedroom tax”) or the Benefit Cap.
 - c)** Conditions have been attached to an award but the conditions have not been met.
 - d)** At the discretion of the Council in certain other circumstances (e.g. where there is an unreasonably high rent in private sector cases).

CHANGE OF CIRCUMSTANCES

- 28.** All applicants are expected to report changes of circumstances as they would for Housing Benefit. It is particularly important that applicants notify changes in income, expenditure patterns or the composition of the household. Most notifications of a change of circumstances are related to Housing Benefit, but where a DHP is payable, they can result in the cancellation or amendment of the DHP award. This can be followed by a new application if appropriate.
- 29.** Overpayments of DHPs are generally calculated and, if recoverable, they will be recovered as sundry debts (private tenants) or via the rent account (council tenants).

CONCLUSION

- 30.** This policy is not intended to restrict Gwynedd Council’s discretion in making DHP decisions. In a discretionary scheme, there will always be some cases with special or unusual circumstances where a decision maker will consider a DHP award justified. The advantage of a discretionary scheme is that, whatever policy is used, such awards can and should be made in those unusual or special circumstances.
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PRIORITY GROUPS

ONGOING PAYMENTS

GROUP A:

HOUSEHOLDS WHERE ALTERNATIVE ARRANGEMENTS ARE NOT A REALISTIC OPTION

*This is the **Top Priority group** which includes those who are subject to circumstances that are exceptional and where making alternative housing arrangements is exceptionally difficult, or where there are severe obstacles preventing the claimant or their partner from improving their financial position.*

- Households subject to the **Social Sector** under occupancy rules (“bedroom tax”) with a child or children in the household.
- Households subject to the under-occupancy rules where there is a disabled person and, on account of that disability, either significant adaptations have been made to their property, or the property is particularly suited to their particular needs.
- Households subject to the under-occupancy rules but where the age of the child/children means that they will soon have the appropriate number of bedrooms.
- Elderly households in the **Private Rented Sector** who have a rent increase that takes their rent above the Local Housing Allowance.
- Households where children have had to be removed for their own safety and placed in foster care where there is evidence that the children will return to the property, and applicants awaiting a court judgement regarding custody of their children.
- Households subject to the under-occupancy rules, where there is a serious medical reason for an additional room supported by a formal medical opinion.

For example where partners are unable to share a bedroom because of medical circumstance prevent them from doing so.

- Where someone in the household is pregnant, including those currently in shared accommodation or subject to an under-occupation reduction (to be reviewed after the baby is born).
- Applicants awaiting a court judgement regarding custody of children.
- Applicants with joint custody arrangements of children but who are not receiving Child Benefit payments for those children.
- Applicants up to 25 years old who are in private accommodation, and who would be homeless unless they work with charities for the homeless and / or social enterprises to search for more affordable accommodation

GROUP B:

- **HOUSEHOLDS WHERE THE CLAIMANT AND/OR THEIR PARTNER ARE SUPPORTING OTHER HOUSEHOLD OR FAMILY MEMBERS, OR WHO THEMSELVES ARE BEING SUPPORTED, AND CHANGING HOUSEHOLD ARRANGEMENTS WOULD JEOPARDISE THAT SUPPORT.**
- **HOUSEHOLDS SUBJECT TO THE "BEDROOM TAX" WITH NO DEPENDENT CHILDREN LIVING WITH THEM.**

*This group is the **second highest group** because members of the family are supporting other members of the household and making alternative housing or employment arrangements would have a negative impact on the level or type of support being given. This group also recognises people subject to the "bedroom tax" with Gwynedd being designated as one of Britain's "least densely populated" areas, and with fewer options available to tenants affected by this measure*

- Households subject to the **Social Sector** under occupancy rules ("bedroom tax") with no child or children in the household.
- Households subject to the under-occupancy rules where there is a foster carer whose circumstances mean they are not exempt.
- Families with an active social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project.
- Those engaged in caring full time for a family member and, as a result, face additional difficulties or obstacles entering work.
- Households subject to benefit cap reductions where there are children in the household.
- Homeless people being supported to settle in the community.
- Households where there is evidence to support that children cannot share a room, where an application for DLA or PIP has been applied for or refused, awaiting the outcome of an appeal.

GROUP C

Households where there are exceptional short-term personal or social barriers to moving

This Group represents those who have short-term barriers that prevent them from changing their housing arrangements. These could be either personal or social obstacles or both. The challenges may be addressed but only through additional external support. This could be support that is offered by the council or its partners or third sector providers such as charities and voluntary sector.

- Pensioners who live in the area, and would find it difficult to establish support links in a new area.
 - Households living in a rural area who because of caring or similar responsibilities would find it particularly difficult to move, or to obtain employment locally.
 - Where the applicant is single and under thirty-five years old and has children who stay with them at least one night per week but who are deemed for Housing Benefit purposes to be living with another adult (who is in receipt of Child Benefit for the child).
 - Single households supported in rehabilitation for addiction, and where living in smaller or alternative accommodation would present a significant risk of relapse.
 - Households where the claimant or their partner has children who are deemed for Housing Benefit purposes to be living with another adult (who is in receipt of Child Benefit for the child), and who stay with them at least one night a week
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GROUP D

Households where changing housing arrangements could affect their ability to maintain employment.

The group includes households where employment or additional employment offer them the best opportunities to improve their circumstances but the risk of moving could reduce their prospects of employment or further employment.

- People who are working in a temporary job where making alternative housing arrangements could impact on their ability to secure more stable work.
- People who need to live near their jobs because they work unsocial hours or split shifts.
- People for whom moving would significantly increase travelling costs to the extent that retaining employment would not be viable.

GROUP E

Households experiencing rental shortfalls but would benefit from some short-term financial support.

Short-term is not in law defined by a specific time period. It a test of reasonableness, and in terms of this priority group, the Council has decided that a period of 13 weeks (or less) would be reasonable. Consideration will be given to the circumstances of each applicant rather than using a hard and fast rule.

- Households not in groups A to D with rental shortfalls arising from welfare reforms and who need to maintain their present accommodation whilst seeking suitable alternative arrangements.
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ONE-OFF PAYMENTS

GROUP A:

Households where alternative arrangements are facilitated by a DHP Award.

*This is the **top priority group**. It includes those who are able to change their household living arrangements to more appropriate accommodation.*

- To cover the cost of rent deposits/rent in advance for a tenancy, or removal costs which would mean that the under-occupancy rules, benefit cap or LHA restriction would no longer apply.

GROUP B

Households where the claimant and/or their partner need assistance to improve their ability to work.

*This group is the **second highest group** because members of the family require assistance obtaining work or additional work in order to improve their circumstances, and this would either mean that they could then afford the difference between rent and HB or could move to another area where there was work.*

- Assistance with travel.

GROUP C

Households where it is possible to take in a lodger or others who may assist with housing costs.

This group represents those who need to need to make some investment in their home in order to accommodate a lodger or sub-tenants who can assist with the household rent.

- Financial assistance with decorating or adaptations to the home to accommodate a lodger.
 - Financial assistance towards the cost of furnishing and bedding.
-