

Appendix 1-Key changes in the updated policy

Background information in revising the Discretionary Housing Payment policy.

The key factors in deciding priorities are:

- Financial circumstances of the household
- Priority group that the household is in
- Extent to which members of the household are able, and willing, to manage the situation they are in, or can't reasonably be expected to do more
- The wider financial consequences of not making an award.

The factors are explained in more detail below:

Financial Assessment (stage 1)

For any application which is received, a financial assessment is made, comparing income with expenditure. This is as simple as possible but sufficient enough to make reasonable judgement. All income and outgoings are considered and any capital taken into account. 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 of the framework is that help should go to those who have no other means of meeting the need.

The first test is therefore whether or not a household's total commitments are equal to or exceed their income. If there is income available, or could be made available sufficient to meet the shortfall in rent or other housing need, an application for DHP may not succeed unless or until circumstances change. If there is some income available but insufficient to meet the rent shortfall, an application for DHP is processed, but the available income would be deducted from the award.

In the case of lump sum payments (e.g. rent in advance or removal costs), the financial test is slightly different. The test is in two parts, firstly are there any savings that can meet the need? If not is income at or below expenditure with no prospect of saving the amount needed. The need for the move is also considered, are the household downsizing and will then have the finance to fund their household expenses or do they need settled accommodation if they are currently in a homeless hostel for example.

Priority Groups (stage 2)

Having considered the financial test the next stage is to decide the priority to be given to particular circumstances the household may be experiencing. To make this process as simple as possible, the particular circumstances are put into five groups A-C descending order of priority. Appendix 1 provides a list of these groups.

Ability to manage the situation (stage 3)

The framework is intended to ensure that DHP provides support on a temporary basis to meet their housing costs 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 LHA shortfall looking for cheaper accommodation or those with spare rooms who are arranging to move.

Increasingly 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 and who are already managing the household budget as effectively as possible. Such households are also given higher priority.

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, DHP award may be made and conditional on certain action being taken. The award may be of shorter duration.

Avoid further cost and hardship (stage 4)

DHP can be used imaginatively to help prevent further hardship such as eviction and the associated costs to the Council in 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. However it is unlikely to be viable to pay DHP indefinitely in these circumstances. If a household is threatened with eviction the situation cannot be left to continue indefinitely, a solution would need to be found, whether this is the provision of alternative accommodation or some action by the household to reduce arrears. The highest priority under these criteria is applied when a solution is in sight.

Priority Setting (stage 5)

In order to decide priorities additional weighting will be given to combine the priority groups with the considerations outlined above.

Additional weighting will depend upon the extent to which the general policy conditions (stages 3 & 4) are met. The highest weighting would be given 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 none of these considerations are met, no additional weighting would be given.

The priority groups and additional weighting given is used as a guideline and is helpful in dealing with the majority of applications but there may be exceptions for individual cases that fall outside the guidelines but which still justify an award.

The award and length of DHP will be determined by which group the applicant falls into. The weighting will be reviewed periodically, or when other Welfare Reform changes are announced, as it is important to balance the use of the DHP fund, but also ensure that where possible the DHP allocation is spent by the end of the financial year.

Payment of Award

It is possible that many of the high priority awards are paid unconditionally, either because there is not likely to be any short term change in the circumstances giving rise to the award, or the household is already doing everything possible to manage the situation they are in. When the award is reviewed or comes to an end, the circumstances may be looked at and conditions applied to any further award.

Other awards will be subject to at least some conditionality, designed to encourage the applicant to resolve the shortfall in rent without access to DHP. The degree of conditionality may vary dependant on circumstances.

Length of Award

As the Council's DHP grant is made within a financial year the maximum end date of an award would be 31st March. Where a long term need is identified, e.g. disabled adaption, the award may be made for a longer period as appropriate. In other cases where it is identified that a change will occur in the future, which will alleviate the need for DHP award, the award would be made for a specific period. There is

no standard period for award; it is normally based upon the individual circumstances and the priority group which they are in.

Repeat Awards/Extensions

Conditionality is the main factor in deciding whether a repeat award would be made. There is no restriction on repeat awards where no conditionality has been set. In these instances the applicant is asked about any changes that have occurred rather than be expected to complete a new application form.

Where there are conditions attached to the award, it is normally terminated after the initial award period. If the applicant then applies for a further award, information would be asked to confirm that the applicant is meeting the conditions of the initial award. A further award may then be made.

An award may be extended for a short period, without the need for a new application, in certain circumstances, these may include:

- Where a request has been made by a support worker for a valid reason
- When awaiting a change of event, e.g. house move or birth of child
- When further time may be required to meet the conditions attached to an award.

Partial Award

The award of DHP is usually for a weekly amount which will meet in full the shortfall between the rent and housing benefit or housing costs payable. However there may be occasions where it is more appropriate to make a partial award, for example:

- Some income is available to the household (but not enough to pay the rent shortfall), including situations where more income becomes available because debts have been paid off
- The award is intended to help the household adjust gradually to a new situation, e.g. Benefit Cap, or starting work
- Unreasonably high rent in the private sector.

Change of Circumstances

Applicants are expected to report changes of circumstances as they normally would for Housing Benefit. It is vitally important that applicants notify of changes in income or composition of household. Most notifications of a change relate to Housing Benefit in the main but where a DHP is payable, they usually trigger the cancellation of DHP award. This can be followed by a new application if relevant.

Overpayments of DHP are generally calculated and where appropriate an attempt to recover them may be made.

Applications

Applications for DHP are normally made in writing by completion of a DHP application form. Applicants will need to provide full details of their income, expenditure and savings. This may feel intrusive to some people but this information is necessary to assess the application. In most cases an interview will be arranged at either the Civic Centre or if required, at home. This is more to establish the household issues and to refer the customer on to a more appropriate support organisation than it is about gaining details of their finances.

There is no set timescale for making a decision on an application for DHP, however the council would expect to make a decision within 14 days of receiving the complete information to enable it to make a decision. So in the situation where a customer has completed an income and expenditure form, but not provided any further details regarding their circumstances, a letter would be issued for further information, once this is received a decision could be reached. If this request for further information was not provided, the application for DHP could be refused.

Review and dispute process

A review process exists whereby if the applicant disagrees with the decision they can ask for a review. The request for a review needs to be received in writing and submitted to the Benefits Section. A review of a decision would be made by a different member of the Support Team from the Team member who made the original decision. This should be completed within 28 days of a request being made.

Staffing

There are no staff costs included in the DHP allocation that is given to Benefits Sections.

Administration of DHP is delivered by the Benefits Section which is funded as part of the benefit subsidy arrangements. DHP's will continue to be administered by the Council even after Universal Credit has replaced Housing Benefit.

Risks

As indicated above the framework will improve management of the fund and ensure that consistent decisions are made on all applications by targeting support on the vulnerable groups. In a report released by Wales Audit Office, Managing the impact of Welfare Reform Changes in Social Housing tenants in Wales, highlighted the need to improve management of DHP, therefore adoption of the framework will assist in this area.

Publicity

Once the framework is approved the Benefits Section will provide updated literature which will be available online regarding the framework and decision process as well as awareness raising to internal and external stakeholders.

Consultation

As part of the development of the framework, consultation was held between a number of local authorities, Welsh Government and Welsh Local Government Association, along with seeking advice from the facilitators of the framework, the Welfare Reform Club. As the framework is being adopted amongst the majority of Councils within Wales, individual consultation has not been carried out at a local authority basis. DHP's have been available for several years and the main reason for adoption of the framework is to ensure greater transparency across Wales whilst still allowing some local flexibility to meet needs.