



Report of Corporate Management Team

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Purpose of the Report

- 1 This report updates Members on recent policy developments relating to the government's welfare reforms and what the council is doing to prepare for the implementation of these changes. The report also considers in more depth the recent guidance in relation to Discretionary Housing Payments (DHP) and seeks approval to a proposed approach to DHP.

Executive Summary

- 2 The government brought forward the Welfare Reform Act 2012 to implement their commitment to simplify the benefits system, make it fairer and to encourage people into work.
- 3 As previously reported to Members, the scale of reform is significant and involves over 40 changes. There is no single point of contact or document for the changes, which makes it challenging to analyse the overall impact.
- 4 The Department for Work and Pensions (DWP) is continuing to add detail to the operational implementation of its initial policy reforms and the more recent cap on the future uprating of benefits, as announced in the Chancellor's Autumn Statement. Since the last report to Members in December 2012, policy announcements relating to following have been made:
 - a) The publication of the **Welfare Benefits Uprating Bill** and impact assessment, placing a cap on the uprating of a range of benefits over the next three years to one percent;
 - b) Further detail on the **implementation of Universal Credit (UC)** including guidance for landlords, feedback from demonstration projects and the letting of contracts for call centre support and a 'call for ideas' for ways in which people in work and in receipt of UC can be encouraged to maximise their earnings;

- c) The government's response to the consultation on the **closure of the Independent Living Fund** in 2015 and plans to devolve funding to local authorities;
 - d) Additional information in relation to the **Personal Independence Payments (PIP)**, with **amendments to the regulations regarding assessment criteria** to better reflect the needs of those individuals who may have conditions that fluctuate in severity; information on how PIP assessment will link to the **provision of Blue Badges** by local authorities; and publication of a PIP toolkit;
 - e) Consultation on how the Department DWP will **collect statistical data** on Universal Credit, Personal Independence Payments as well as a range of other benefits;
 - f) The government's response to the consultation on **proposed changes to Discretionary Housing Payments guidance** to local authorities.
- 5 The council continues to prepare for the implementation of the welfare changes scheduled for this year, including the introduction of a Welfare Assistance Scheme to fill the gap left by the withdrawal of the Social Fund from April 2013.
- 6 Following the report to Cabinet on 19 December 2012, a procurement exercise was undertaken to identify a delivery partner to work with the council to operate the Welfare Assistance Scheme.
- 7 The council has now agreed a contract with a partnership comprising Civica, Five Lamps and the Family Fund to become the council's delivery partner for the administration of grant applications and awards and the provision of wider welfare advice and support through the third sector.
- 8 One of the most important announcements since the last update to Members is the government's response to the revised guidance to local authorities on Discretionary Housing Payments (DHP), which given its significance, is considered in more detail below.
- 9 While the government has increased the funding available for DHP (for the council the funding will be £883,089 for 2013/2014), it is clear that this is insufficient to meet the potential demand created by the withdrawal of and reductions in other welfare payments.
- 10 The council therefore needs to consider carefully how it proposes to use the DHP funding and this report assesses a number of options and proposes a new approach for how the funding could be used including a triage approach to help manage demand. A proposed new Discretionary Housing Payments policy is attached as Appendix 2.
- 11 Members are recommended to:
- a) Note the contents of this report and further developments in government welfare reform;

- b) Note the progress made with appointing an implementation partner for the administration of the Welfare Assistance Scheme;
- c) Note the changes to Discretionary Housing Payments guidance and the potential options available to the council;
- d) Agree the proposed new Discretionary Housing Payments policy as outlined in Appendix 2;
- e) Agree to review the policy in three months time, to take into account demand and revise the policy as appropriate, subject to Cabinet approval;
- f) Delegate authority to the Assistant Chief Executive in consultation with the Leader, to make any final amendments to the policy and the approach to the distribution of Discretionary Housing Payments from 1 April 2013.

Background

- 12 Welfare reform is a key element of the Coalition's *Programme for Government*, published in May 2010. Cabinet considered a comprehensive report on the government's welfare reform programme at its meeting of 30 May 2012 and further reports on 19 December 2012 on the introduction of local Council Tax support schemes (LCTSS) and the need to develop a welfare assistance scheme to replace the Social Fund.
- 13 Since then, the government has made a number of further policy announcements, which are outlined in more detail below. Increasing detail is being provided on the rollout and operational implementation of the changes and the next phases of welfare reform, including benefits uprating as announced in the Chancellor's Autumn Statement.

Update

- 14 The most significant policy announcements since the last report to Members in December 2012, relate to the following, which are outlined in more detail below:
 - g) The publication of the Welfare Benefits Uprating Bill and impact assessment, placing a cap on the uprating of a range of benefits over the next three years to one percent;
 - h) Further detail on the implementation of Universal Credit including guidance for landlords, feedback from demonstration projects and the letting of contracts for call centre support and a 'call for ideas' for ways in which people in work and in receipt of UC can be encouraged to maximise their earnings;
 - i) The government's response to the consultation on the closure of the Independent Living Fund in 2015 and plans to devolve funding to local authorities;

- j) Additional information in relation to the Personal Independence Payments, with amendments to the regulations regarding assessment criteria to better reflect the needs of those individuals who may have conditions that fluctuate in severity; information on how PIP assessment will link to the provision of Blue Badges by local authorities; and publication of a PIP toolkit;
- k) Consultation on how the Department for Work and Pensions (DWP) will collect statistical data on Universal Credit, Personal Independence Payments as well as a range of other benefits;
- l) The government's response to the consultation on proposed changes to Discretionary Housing Payments guidance to local authorities.

Welfare Benefits Up-rating Bill

- 15 Before 2011, benefits had been uprated in line with the Retail Prices Index (RPI). However, in the June 2010 emergency budget, the government announced that from April 2011 benefits would be uprated in line with the Consumer Prices Index (CPI). In his Autumn Statement made last year, the Chancellor announced that for the next three years, most benefits would be uprated at one percent, as opposed to in line with inflation.
- 16 Primary legislation is needed to implement the policy and the Welfare Benefits Up-rating Bill was laid before Parliament on 20 December 2012 to provide the legislative framework for capping future increases in benefits payments for 2014/15 and 2015/16. It is expected that capping the increases in benefits as proposed will deliver additional welfare savings of £3 billion by 2015-16.
- 17 The following benefits will be uprated by one percent:
- Jobseeker's allowance (JSA);
 - The work related activity group component of Employment and Support Allowance (ESA);
 - Universal Credit earning disregards and certain UC elements in 2014-15 and 2015-16;
 - Housing Benefit (subject to certain exceptions);
 - Statutory Sick Pay, Statutory Maternity Pay, Statutory Paternity Pay, Statutory Adoption Pay; and Maternity Allowance;
 - Couple, lone parent and child elements of tax credits.
- 18 In 2014-15 and 2015-16, Child Benefit and the basic and 30 hour elements of Working Tax Credit (which are already frozen for 2013-14) will be increased by one percent.
- 19 Disability and carer premiums payable with means-tested benefits and the ESA Support Component will all rise by the full CPI, which currently stands at 2.2 percent.
- 20 In its impact assessment of the Bill, the Department for Work and Pensions estimated that the cap on uprating would result in savings of £1.1 billion in

cash terms in 2014–15 and £1.9 billion in cash terms in 2015–16. In terms of impacts, it is estimated that around 30 percent of households will be affected and that the average change will be £3 less per week, which is equivalent to a one percent reduction in average net income.

- 21 In terms of the impact on different family types, the impact assessment noted that *'families with children are more likely to be affected than families without children. Lone parents are the family type who are most likely to be affected and also have the highest average change (£5 less per week). This is because they have a lower employment rate than average and also often qualify for in-work support. In contrast, pensioners are the least likely group to be affected, as pensioner benefits are protected. There are a small number of pensioner households affected because they are receiving a benefit not specifically designed for pensioners—such as Child Tax Credit if they are responsible for a child. However, as a proportion of income, single people without children who are affected see a higher change than those families with children. This is because single people without children who are in receipt of benefit are more likely to be out of work than families with children and so their benefit entitlement accounts for a higher fraction of their total income.'*

Universal Credit

- 22 The key feature of the government's changes to welfare is the introduction of Universal Credit, which is intended to simplify benefits, increase the incentive to work and contribute towards Comprehensive Spending Review reductions on welfare of at least £18 billion by 2015.
- 23 The Universal Credit is a new all-encompassing benefit for both those in and out of work, which will be paid on a monthly basis. It replaces a number of existing benefits including Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Housing Benefit, Child Tax Credit, and Working Tax Credit. Applications are intended to be made on-line by claimants. It is understood this will be introduced in April 2013, initially as a pilot before it is implemented across the country.
- 24 On 17 December 2012, the government published the early findings from its Universal Credit direct payment demonstration projects. The projects in six areas across Great Britain are testing a number of different aspects of the direct payment of housing benefit to social sector tenants, ahead of changes that form part of Universal Credit.
- 25 The findings show over the first four months, 6,220 social tenants were paid their housing benefit directly. Of a total level of rent charged of £7,692,844 over the period, rent collection rates stood at 92%.
- 26 Across the different areas, levels of payments by tenants on the projects varied from 88% to 97% – demonstrating the different conditions and approaches being tested in each area.
- 27 A total of 316 (5%) tenants have been switched back to payments to their landlords – either because they have reached triggers for switch back or have been switched back due to early invention.

- 28 Ministers have pointed to the relatively high levels of rent collection as evidence that most people will be able to cope when they have to take more responsibility for managing their own finances under Universal Credit.
- 29 However, in some instances Ministers have recognised that those with existing debt problems or numeracy issues may struggle with having to pay their own rent and have suggested that in certain circumstances Universal Credit may support a split payment model, with some element of benefit going direct to housing providers while benefit claimants adjust to the new system.
- 30 The move is one of a series of measures announced to help those who may struggle with the move to monthly payments and online claims, which underpin Universal Credit.
- 31 This includes the letting of contracts to Serco, Capita, Balfour Beatty and G4S to run call centres to deal with queries over changes to child benefit and Universal Credit.
- 32 On 21 December 2012, the government published *Universal Credit service charges – guidance for landlords*, which provides proposed guidance for social sector landlords on what elements of property-related service charges can and cannot be included in Universal Credit.
- 33 On 25 January 2013, the government also issued a ‘call for ideas’ to seek views on how DWP can support people in work and in receipt of Universal Credit to increase their earnings, develop their skills and qualifications, and achieve financial independence.
- 34 On 11 February 2013, the government published the Universal Credit Local Support Services Framework, which is a collaborative document between government and the Local Government Association on the type of services local authorities and other partner organisations could provide, if they choose to, in support of the introduction of Universal Credit.
- 35 The document sets out the principles of establishing local partnerships, involving local authorities, aimed at ensuring vulnerable groups are supported when Universal Credit is introduced. The framework describes the type of support that DWP would be willing to fund, current approaches to partnership working and how this might work in the future, as well as areas that require further development including the funding model.
- 36 The framework has been developed in consultation with local authorities, including the county council and is now subject to wider consultation until 15 March 2013. The council needs to consider the proposal in detail and in particular, the implications for how we respond to the introduction of Universal Credit and the level of support we provide to our vulnerable residents affected by the changes.

Independent Living Fund

- 37 The Independent Living Fund (ILF) was originally set up in 1988 as a national resource providing financial support to disabled people, enabling them to

choose to continue living in the community rather than move into residential care. The fund operates as an executive non-departmental public body of the Department for Work and Pensions. During its existence, the ILF has undergone a number of changes, but essentially, it operates as a discretionary source of funding for people with disabilities.

- 38 In June 2010, the government decided to close the ILF for new applications, following a review, which concluded that, as an independent discretionary trust for social care, the ILF model, was financially unsustainable.
- 39 A public consultation on the future of the ILF was launched by DWP on 12 July 2012, alongside wider proposals to reform the funding of social care.
- 40 Following the consultation, in December 2012, the government announced its intention to close ILF on 31 March 2015. From then on, local authorities in England and the devolved administrations in Scotland and Wales will determine how ILF users in those parts of the UK are supported. A transition plan was due to be consulted upon in early 2013. It is understood that the transition process will take place as part of the regular reviews, which are undertaken, for ILF recipients. From spring 2013, the reviews will become a 'transfer review' where claimants will meet with local authority social workers to discuss how they will transfer to the sole care of the local authority by 2015.
- 41 It is expected that the DWP will publish a guide and a code of practice for local authorities on how ILF users can be supported through the transition, over the course of the next two years. Further information is also expected on how the finance will be distributed to local government; however, it is expected that this will be based upon current expenditure patterns and will be in the form of a non-ring fenced grant.

Personal Independent Payments

- 42 On 31 January 2013, the government confirmed an amendment to the draft Personal Independence Payment regulations to allow for individuals to be assessed on what they can do safely, reliably, repeatedly and in a reasonable time period. This change is being made in particular to support those individuals whose conditions fluctuate in severity.
- 43 On 9 July 2012, the government launched a consultation 'Personal Independence Payment and eligibility for a Blue Badge'.
- 44 Currently, claimants are automatically eligible for a Blue Badge if they:
- Receive the Higher Rate of the Mobility Component of the Disability Living Allowance (HRMCDLA);
 - Are registered blind;
 - Receive an award under the War Pensioners Mobility Supplement (WPMS);
 - Receive a lump sum benefit within tariff levels 1-8 of the Armed Forces and Reserve Forces (Compensation) scheme and have been certified as having a permanent and substantial disability, which causes inability to walk, or very considerable difficulty walking.

- 45 The government estimates that over 900,000 Blue Badges in England are currently on issue to people in receipt of HRMCDLA.
- 46 Due to the change from DLA to PIP, the government consulted on how this will impact upon the allocation of Blue Badges.
- 47 Ministers subsequently decided that when DLA is replaced by PIP, there should still be a legislative link, such that people who score eight points or more in the 'Moving Around' activity of PIP will be automatically eligible for a Blue Badge. This assesses a person's physical ability to get around and a score of eight points or more will be awarded to people who are either unable to walk or who cannot walk further than approximately 50 metres. In effect, the decision to allocate Blue Badges on this basis means that eligibility will be very similar to the current scheme. It is expected that the relevant legislation will be changed early in 2013
- 48 An online PIP toolkit was released on 4 February 2013. The purpose of the toolkit is to provide information and training materials to individuals and organisations that support Disability Living Allowance (DLA) claimants so that they can offer advice on PIP or direct claimants to other sources of assistance.
- 49 The DWP announced that they would be writing to all existing DLA claimants (about 2.2 million people) to explain about PIP in the usual annual letters that advise people what their new benefit rate will be. The mailing should now have concluded.

Consultation on changes in statistical data collection

- 50 A consultation has begun in relation to proposals to change the way in which statistical analysis of benefits claimants is carried out. In part, the proposals are in response to the changes, which are occurring under the Welfare Reform Act.
- 51 The document '*Statistics on people and households claiming Universal Credit, Personal Independence Payment and other benefits- Plans for 2013-14*' outlines proposals to overhaul and combine many of the existing data series, aiming to bring benefits, tax credits, Housing Benefit, sanctions, hardship, employment programmes all together in to one unified customer database. The DWP then propose to use the new database to produce a wide range of caseload, flow and transition statistics. This consultation closes on 24 April 2013.

Policy and equalities impacts

- 52 In making national policy changes such as those described within this report, the government is bound by the requirements of the Equalities Act 2010 which amongst other things, make discrimination unlawful in relation to the protected characteristics of age, gender (including pregnancy/ maternity and transgender), disability, race, religion or belief and sexual orientation. In addition, all public authorities are subject to public sector equality duties which require the government and the council to:
- a) Eliminate unlawful discrimination, harassment and victimisation;

- b) Advance equality of opportunity; and
- c) Foster good relations between those who share a protected characteristic and those who do not.

53 As part of its consideration of the impact of welfare reform changes, the government has published a range of individual impact assessments and equality impact assessments in relation to specific individual policy changes.

Summary of Government Impact Assessments

54 Impact assessments (formerly regulatory impact assessments) help to explain the effects of government proposals, which impact, on the private, public and third sectors (regardless of whether the regulation originates from a domestic or international source). The third sector includes charities and voluntary organisations. Impact assessments are published so that those with an interest understand and can challenge:

- Why the government is proposing to take action;
- How new policies may affect people;
- The estimated costs and benefits.

55 The Department for Work and Pensions (DWP) has carried out 17 separate impact assessments in respect of the changes introduced by the Welfare Reform Act 2012. The Department for Communities and Local Government (DCLG) has completed a summary impact assessment in respect of the Local Government Finance Act 2012 when it was at the Bill stage, which introduced a number of changes to the finance system for local authorities, including the introduction of localised Council Tax support schemes.

56 There is no single cumulative impact assessment of all of the reforms to welfare. The government explain that this is because proposals impact on a wide variety of groups in different ways. Changes are planned to take place over an extended period from 2011-12 to 2017-18 with impacts building up over substantial periods of time at different rates for different measures.

57 Consequently, the government states that providing a single summary accurately taking account of different timings would be analytically complex and extremely challenging. To simplify the assessment would risk providing a set of misleading impacts. In addition, the changes to social security benefits and tax credits contained within the Act are taking place within a wider context of fiscal change. The impact assessments therefore do not account for wider changes impacting on households such as the increase in income tax personal allowances. The government therefore argue that the extent to which a cumulative impact assessment would provide an accurate analysis to the impacts of the Act as a whole would be substantially limited and would obscure the impacts of individual policies rather than aid understanding of the Welfare Reform Act.

58 The assessments are limited in some respects. A number of published impact assessments are under developed. For instance, the impact assessment for the abolition of elements of the discretionary Social Fund and replacement

with new local welfare assistance does not contain any monetary figures for the costs and benefits of this measure. Large parts of the impact assessment have still to be completed. The DWP indicate that this is because the policy is still in development and that further work needs to be conducted before any costs can be calculated. This measure is due to come into effect on 1 April 2013 with much of the preparatory work in individual local authorities having been done to introduce local schemes.

- 59 The reason for the introduction of many of the individual reforms is that the current system is unsustainable. For instance, expenditure on Disability Living Allowance (DLA) has increased by a third in the last nine years and expenditure on Housing Benefit has increased in cash terms by 91 percent over the same time period. Reforms are primarily cost saving measures. Monetised benefits are often listed as savings to the taxpayer whilst non-monetised benefits frequently include possible positive employment impacts such as increased economic output, taxation revenue gains, social impacts such as improvements to health and wellbeing and raising families and children out of poverty. However, these benefits are dependent upon suitable employment being available and benefit recipients being able to access these opportunities.
- 60 One of the major reforms is the introduction of Universal Credit. The government estimate that additional transfer payments to households will actually be £0.3bn higher under Universal Credit whilst 75 percent of those gaining additional entitlement under the new system will be in the bottom two quintiles (the lowest 40 percent earners). However, an estimated 2.8 million households nationally will have notionally lower benefit receipts under Universal Credit than with the current system. These figures need to be modelled against the profile of recipients of welfare benefits and tax credits in Durham. A number of other reforms need to be modelled against local data to determine the impact on Durham.
- 61 DLA reform proposals would benefit from local analysis. Another area that we need to more fully understand at a local level is the time limiting of the contributory Employment and Support Allowance (ESA). This proposed measure seeks to limit the time that this benefit is paid to people who are capable of taking steps to return to work, as there is currently no limit. Another area, which may have a significant impact in Durham, is the changes to the lone parent conditionality whereby lone parents with a youngest child up to the age of seven qualify for Income Support. The reform intends to reduce this qualifying age to five.
- 62 The government has recognised a number of consequences of introduction of several of their reforms but have been unable to quantify the effects in monetary terms. These need to be picked up by our monitoring systems. Examples include:
- Increased rent arrears, enforcement action and write offs of rent resulting from housing benefit shortfall from under-occupation of social housing regulations;
 - Movement of families affected by the benefit cap or under occupation regulations into the private sector;

- The introduction of uprating of Local Housing Allowance (LHA) rates by the Consumer Price Index may mean that landlords see housing benefit tenants as a less lucrative prospect and will be unwilling to house them. This could lead to increases in homelessness;
 - Increases in rent arrears due to payment of LHA directly to tenants.
- 63 The government has also recognised that behavioural changes of some benefit claimants may lead to perverse consequences. For example:
- The partner of someone whose time Contributory ESA that is stopped may reduce their working hours so that they become eligible for income-related ESA;
 - People may spend their capital making them eligible for income-related ESA once their contributory ESA is withdrawn.
- 64 A number of reforms will also change the way in which the authority operates in the future and these should be carefully examined as national policy develops. These include the transfer of Housing Benefit currently administered by local authorities, to Universal Credit and the establishment of a National Fraud Investigation Service, which will carry out all fraud investigation including that currently done by local authorities.
- 65 In addition, the government has carried out 23 equality impact assessments (EIAs) between October 2012 and December 2012 in relation to provisions of the Welfare Reform Act 2012 and Localising Council Tax.
- 66 The assessments are limited in some respects and lack both detail on some provisions and data on all of the protected groups covered by the public sector equality duty. They predominately cover disability, age and gender and there is little or no data in relation to religion or belief, sexual orientation, marriage and civil partnership and pregnancy and maternity. The EIAs do however highlight that some of the provisions will have a disproportionate impact on the protected characteristics including women, disabled people, certain ethnic minority groups and children in larger families or single parent families. Some justification has been provided for this and mitigation of negative impact is limited to incentives to find work and claimants reducing household expenditure and/or moving to cheaper accommodation. The assessments focus more on implementation mechanisms e.g. communication support and reasonable adjustments, but do not fully assess the policy decision and impact of the change. There is also limited consideration of the impact on carers.
- 67 Revised and new EIAs have been published between May 2012 and December 2012 to include revised data and cover proposed measures to address some of the particular concerns connected to disability raised during the passage of the Welfare Reform Act. These include social sector housing under-occupation, disability living allowance (DLA) reform, benefit cap, employment and support allowance (ESA) sanctions and closure of the independent living fund (ILF).

- 68 Details of mitigation measures described include the availability of additional funding for discretionary housing payments from 2013/14 to assist disabled claimants living in significantly adapted properties affected by under-occupancy. The introduction of hardship payments by the DWP for ESA claimants who are sanctioned aims to provide a safety net for the most vulnerable. This takes into account that a higher proportion of claimants with mental health impairments receive sanctions.
- 69 The devolution of ILF to local authorities in 2015 will mean that some users of social care may get an improved service or level of funding due to a greater fairness in the distribution of funding. However, this change may have negative impacts for current ILF claimants who may face reductions or alterations to their care package.

Discretionary Housing Payments (DHP)

- 70 Since July 2001, local authorities have been able to make payments to provide further financial assistance to claimants in receipt of Housing Benefit and or Council Tax Benefit, where the local authority considers that additional help with housing costs is required.
- 71 This is intended as short term help to assist the tenant to adapt to, or amend their current housing provision where the Housing Benefit does not cover the full rental liability.
- 72 In many instances, DHP is seen as a preventative measure, which helps to avoid a household getting into rent arrears problems and becoming homeless. Research by Herriot-Watt University in 2007 highlighted that preventing a household becoming homeless is more cost effective than assisting a household which has already become homeless, where the cost to the public purse of providing temporary accommodation and re-housing a homeless person/household can amount to £5,300 per case per year.

Current policy

- 73 Currently, anyone in receipt of Housing Benefit or Council Tax Benefit can apply for DHP, if they have a shortfall between their Housing Benefit and their housing costs and they require extra short-term help to meet their housing costs.
- 74 Claims, both numbers and costs, have risen steadily since 2009/10; however, demand for this type of assistance is now increasing significantly and is expected to continue to do so from 1 April 2013, with the implementation of a number of benefit changes, including the introduction of under-occupancy size criteria in the social rented sector. This will further increase the administrative burden on the council and place a financial risk in terms of managing demand against the available DHP grant resources moving forward.
- 75 The majority of social sector tenants receive full Housing Benefit, which in turn covers their full rental liability, and therefore they have not required DHP support. The welfare changes regarding social sector size criteria, which

come into effect from April 2013 mean that over 8,000 social sector tenants in the county may now require help through DHP (subject to means testing) as their Housing Benefit is reduced.

- 76 In the current year, Durham received £333,938 in ring-fenced grant for DHP. In 2013/14, this is to rise by £549,151 to £883,089. The allocation for 2014/15 is yet to be confirmed.
- 77 Local authorities can supplement the national contribution with their own funding, up to a cash limit of two and a half times the national contribution. However, it is clear that councils choosing to do so, have to identify alternative sources of funding or to make financial savings elsewhere.
- 78 In general, any unspent grant must be returned to the government (although in 2011/12 the government allowed underspends to be carried forward as a one off arrangement to assist with the amendments to the shared room rate, which affected the age group 25 to 35).
- 79 The Discretionary Financial Assistance Regulations 2001 provide a broad discretion to authorities, but they must make the decision in accordance with ordinary principles of administrative law in relation to good decision making for example, acting fairly, reasonably and consistently.
- 80 Housing costs are not defined in the regulations, so local authorities have discretion as to what the payments can cover. In general terms, housing costs mean rental liability and the level of payment awarded may cover all or part of a shortfall in rent or assist with wider costs of taking up a tenancy, such as the payment of rent in advance, deposits and other lump sum costs such as removal costs.
- 81 Payments are generally awarded for short term assistance (typically up to 13 weeks) while the claimant makes alternative and suitable longer term arrangements, which is why the government is looking towards DHP to help implement its wider welfare reforms.
- 82 Under the Discretionary Housing payment (grants order) 2001, once the council has met its overall cash limit, it cannot agree any more DHP. However, when deciding whether a claimant should be allowed DHP, the council cannot take into account how much of the government contributions it has left and should make decisions consistently in accordance with its policy. A carefully constructed policy that prioritises resources is therefore essential.

The council's current approach

- 83 The council currently operates a Discretionary Housing Payments policy, in line with the original 2001 regulations.
- 84 The policy is administered by the Benefits Service and seeks to:
- a) Alleviate poverty;

- b) Encourage and sustain County Durham residents in employment;
- c) Assist in the prevention of homelessness;
- d) Safeguard County Durham residents in their homes;
- e) Help those who are trying to help themselves;
- f) Keep families together where appropriate;
- g) Support the vulnerable in the local community;
- h) Promote stability in the private rented sector;
- i) Help customers through personal crises and difficult events;
- j) Support young people in the transition to adult life.

85 The scheme operates within the national fund allocated by government, which has supported the following number of claims.

86 As outlined above, in the current year, government grant amounts to £333,398. The council has supplemented this with £88,000 Homelessness Grant transferred from Regeneration and Economic Development to give a total budget of £421,398. An analysis of DHP spending over the last few years is provided below:

Financial Year	Government grant	Actual spend	No. of claims	No. of awards
2009/10	£102,053	£90,357	467	268
2010/11	£104,514	£117,317	359	229
2011/12	£177,361	£189,254	500	330
2012/13	£333,398	£422,998*	793*	650*
*figures as at Jan 13				

87 The policy is designed to ensure that applications are handled fairly, reasonably and consistently and that spend is retained within the DHP national fund level as much as possible. Projected expenditure to 31 March 2013 is forecast to be over the budget set including the £88,000 Homelessness Grant.

- 88 As at 16 January 2013, we have received 793 applications and have supported 650 customers with cases of financial hardship.

DHP Expenditure as at 16/01/2013	No. of claims	Total value	% of total spend
Rent Rebate	12	£4,448.48	1.3%
Council Tax	48	£3,199.89	1.0%
Rent Allowance	590	£317,882.07	97.7%
Total	650	£325,530.44	100%

- 89 Of the 590 claims to customers in receipt of Rent Allowance (see breakdown above), 51.5 percent of the successful claims were to those affected by the changes to the shared room rate (the most recent change to the benefits system). This came into effect in January 2012, where single people under 35 years of age in private rented housing have had their benefit payment reduced to the same rate as if they occupied a single room in shared accommodation. This transitional protection has now expired. Previously, the shared room rate applied to those under 25 years of age.
- 90 The Benefits Service identified 986 existing customers affected by the policy and contacted them to inform of the date and financial impact of this change. As at 16 January 2013, the policy has supported 252 of the 986 identified customers, of whom 50 percent are still in receipt of a DHP with end dates between 20 January 2013 and 31 March 2013. These tenants have been referred to Housing Solutions Team for further advice.
- 91 Within the 125 claimants still in receipt of DHP through the transitional protection in place, many have been supported for approaching a year, which calls into question the effectiveness of the payment in providing short term temporary relief, while people adjust or make alternative arrangements.

Government's proposed changes

- 92 During the course of last year, the government consulted on changes to DHP, in the light of the introduction of Universal Credit, the Benefit Cap and the introduction of the social sector housing benefit size criteria (under occupancy).
- 93 In August 2012, the government issued a consultation on revised guidance to local authorities on who should be given priority when considering claims for DHP, in order to ensure that the increased funding provided is used for its intended purpose to support those affected by welfare reform.
- 94 The government intends to use DHP as a way of mitigating the initial impacts of its wider welfare reforms. To enable this, it has increased the funding for DHP grants to local authorities from a base of £20 million in 2010/11 to £60

million in the current year. In the light of the major changes to welfare which come into effect from April 2013, the government will further increase the funding as follows:

	2013/14	2014/15
Base Budget	£20m	£20m
Welfare Reform	£40m	£40m
Under Occupancy	£30m	£30m
Benefit Cap	Up to £65m	Up to £35m
Total	£155m	£125m

(Note: the totals take into account the reductions announced in the Autumn Statement to fund more targeted welfare measures.)

- 95 The government intends that the additional funding should fund short-term temporary relief to families who may face a variety of challenges, which prevent them from being able to move immediately or to help families move into more appropriate accommodation.
- 96 The assistance is provided within the context of the government's general policy approach to welfare, which is that people should change their behaviour and live within their means and support themselves through work rather than rely on welfare.
- 97 Under the revised guidance, local authorities are encouraged to direct the additional funding towards those affected by the introduction of the benefits cap, the occupancy/size criteria in the social rented sector and by reductions in Local Housing Allowance. Local authorities, housing providers and other stakeholders highlighted the potential detrimental impact of under occupancy on groups such as disabled people and foster carers. The Minister has now (February 2012) ordered a review of the impact of the changes on disabled tenants following lobbying from several disability groups and has indicated that should any changes be necessary to provide additional protection, these changes will be in place before April 2013.
- 98 Whilst no special provision was made in the housing benefit changes to address these concerns, the government made it clear that the increase in DHP is, in part, to address this. There is an expectation that the additional £30 million made available to address the impact of the size criteria (under occupancy charge) should be prioritised for disabled people and foster carers.
- 99 On 17 December 2012, the government published the findings of the consultation and its response. In the main, the majority of consultation responses welcomed the wide discretion proposed, so few further revisions are expected to the regulations and guidance.

- 100 The government is now amending the Discretionary Financial Assistance Regulations 2001 in preparation for the revisions to come into force on 1 April 2013. The draft final guidance on DHP will be provided to local authorities before the changes come into effect.
- 101 Following the abolition of Council Tax Benefit from April 2013, DHP will no longer be made towards council tax liability.
- 102 While the increase in funding since 2010/11 is welcome, it has to be seen in the context of the £21.7 billion reductions in welfare spending announced to date. In addition, it has to be noted that Ministers have cited DHP as providing transition support in a number of instances as noted in paragraph 104 below.

Potential demand for DHP

- 103 It is very difficult to predict the demand for DHP in response to the significant change to welfare reform arising from the introduction of under occupancy criteria. This is because;
- a) The changes taking place are fundamentally shaped to drive behavioural change (see paragraph 117 below) and we cannot anticipate whether these will have the desired effect;
 - b) There is no single data source. A large number of providers and partner organisations support potential claimants, each of these have their own data collection and performance management approaches, which makes it extremely challenging for the authority to generate a single consistent picture for the county. In addition, it is rare for information needed, regarding both the property and individuals, to be held by a single organisation;
 - c) The government has specifically highlighted a number of groups for whom they have provided additional DHP. Although local authorities have discretion on how they provide DHP, having regard to the government guidance will in practice be a significant constraint.
- 104 As a result, the council does not have a comprehensive picture of potential demand and therefore has had to make estimates and projections based on the information available and how claimants may respond to changes in benefit payments. A more comprehensive picture will be available once all of the housing providers have completed visits to tenants affected by the changes, which are currently in progress.
- 105 In terms of the types of demand, DHP has been cited in assisting with the following:
- a) Those affected by under occupancy charges in the social rented sector;
 - b) Those affected by non-dependent deductions;

- c) Those affected by Local Housing Allowance reductions;
- d) Those affected by changes in the shared room rate as it applies to those over 25 and under 35 years of age;
- e) People in supported, exempt or temporary accommodation;
- f) Individuals or families fleeing domestic violence;
- g) Those with kinship care responsibilities;
- h) Individuals or families who cannot move immediately for reasons of health, education or child protection;
- i) Households moving to more appropriate accommodation;
- j) Those at risk of becoming homeless or who have previously been homeless;
- k) Disabled people living in significantly adapted accommodation, including any adaptations made for disabled children;
- l) Foster carers, whose housing benefit is reduced because of a bedroom being used by, or kept free for foster children.

106 In addition, it should be noted that while Ministers have spoken about DHP providing short-term temporary relief, they have also suggested that longer term, indefinite awards may be appropriate in cases where, for example a disabled person has made permanent adaptations to their home or the householders provide temporary foster care.

107 Approximately, 42 percent of the increase in national funding made available to DHP is intended to mitigate the impact of the Benefit Cap, which is due to come into effect later this year. If applied to the total amount of DHP funding awarded to the county for 2013/14, this equates to approximately £370,300.

108 To date, we estimate that approximately 400 claimants are likely to be affected by the Benefit Cap in the county. This is relatively low compared with other potential sources of demand and it is unlikely that this number will require the amount of support provided for in the allocation of funding awarded to the council. However if all did require financial support and applied for DHP at an average of £15 per week for 13 weeks, this would require over £78,000 of the funds available.

109 Approximately 20 percent of the increase in national funding is to mitigate the impact of the under occupancy criteria. Again, if applied to the total amount of DHP funding awarded to the county, this equates to approximately £171,000.

110 Current estimates suggest that the under occupancy criteria will affect approximately 8,000 households in the social housing sector in the county, who collectively will receive approximately £5 million a year less in the amount of Housing Benefit paid. If all of these households affected were to seek DHP

support, this would amount to a demand of just under £100,000 a week, which would mean that the council would exhaust its total 2013/14 funding allocation in little more than eight weeks and the notional amount allocated for under occupancy in less than two weeks.

- 111 Furthermore, Ministers have suggested that the £30 million increase in funding to address under occupancy, should be prioritised towards assisting disabled people who have adapted their accommodation and foster carers, who may require a spare bedroom in able to continue to provide foster care.
- 112 In relation to disabled people in adapted properties, at this stage we do not have an accurate picture of how many will be affected by the under-occupancy criteria and would therefore look towards DHP for assistance. The following estimates have been made to quantify potential demand:
- a) Based on placements made by Durham Key Options in 2011/12, 11.6 percent of tenants had a disability;
 - b) Over the past two years, 2,465 tenants in council-owned properties and the social rented sector, have received funding to pay for adaptations, including Disabled Facilities Grants (DFG);
 - c) From the information currently being gathered by housing providers, there are 2,644 rented properties in the social housing sector, which have been adapted for disabled tenants (further responses are expected);
 - d) Two housing providers have been able to provide a figure of how many of those tenants who are affected by the under occupancy charge would require financial assistance. For one it is equates to 8 percent of their total number of tenants affected by the change and for the other 17 percent;
 - e) Other housing providers have indicated that between 15 to 18 percent of tenants identified as under occupying are disabled and would be looking towards DHP for assistance, although we do not know if these are all in adapted properties.
- 113 Based on the information from the housing providers above this indicates between 8 and 18 percent of tenants affected may apply for financial help from DHP as they are disabled. Using £15 per week, over a full year, as an average claim the annual amount of DHP required to support these tenants would be between £499,200 and £1.123m.
- 114 The other group specifically identified by government to receive support are foster carers. So far, we have identified seven foster carers potentially affected by under occupancy. To provide support to these would cost around £5,000 per annum.
- 115 In terms of wider claimants, £60 million of the total national funding is intended to address financial hardship and the general impact of welfare

reform. If applied to the total amount awarded to the county, this equates to approximately £342,000 of the total.

- 116 With regard to wider groups of claimants, we are aware of the following:
- a) 5,500 claimants are likely to be affected by the changes to non-dependent deductions, where the deduction has increased by 55 percent since 2010/11 to 2012/13 and will increase by a further 19 percent next year, giving an overall increase of 84 percent between 2010/11 to 2013/14;
 - b) 11,200 households have been affected by Local Housing Allowance changes, which lowered the cap on Housing Benefit in the private rented sector; and that;
 - c) 946 claimants have been affected by the amendments to the shared room rate, which affects single people under the age of 35.

Options available to tenants who are under occupying

- 117 As outlined above it is not possible to accurately predict how the changes will impact individual households, although we know the changes have been introduced to drive behavioural change such as:
- a) Increase income by taking paid employment or increasing hours worked (which is the government's overarching aim for the changes);
 - b) Increase income by taking in lodgers;
 - c) Move to more affordable accommodation;
 - d) Swap houses with other tenants to move into more affordable accommodation;
 - e) Re-prioritise household expenditure to absorb loss of benefit.
- 118 Some may need to apply for DHP as a temporary measure whilst they seek to pursue one of the above options.
- 119 Looking at how realistic it is for tenants to move to more affordable housing, the table below shows a breakdown of those identified as under occupying against property size:

Property Size	Under occupied by 1 room	Under occupied by 2 rooms	Under occupied by 3 or more rooms	Totals
2 bedrooms	4,148	-	-	4,148
3 bedrooms	2,430	1,209	-	3,639
4 bedrooms	113	69	30	212
5 bedrooms	4	0	0	4
Totals	6,695	1,278	30	8,003

120 This identifies that up to 5,387 tenants would require a one bedroomed property if they wanted to move to avoid the under occupancy charge.

121 To date, we know that 369 tenants have already moved to smaller accommodation in 2012/13 and that in two areas alone, 174 tenants have expressed a desire to move since they were made aware of the government policy change.

122 The table below shows a breakdown by property size of the property that has become available for let through the Durham Key Options during the current financial year:

Properties available for let in 2012/13	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	Total
Number of properties	937	2,001	941	54	3,933

123 During the year, only 937 one bedroom properties became. At this rate, it would take nearly six years for everyone to move if they chose to do so. In practice, in weighing up their options, people will consider that moving may also require leaving family and friends behind as well as a support network they have developed within the local community. The tables also show that demand for two bedroom properties is likely to be oversubscribed but not to the same extent as demand for one bedroom properties.

124 Assuming that 2012/13 was a typical year, if all 5,387 tenants asked to move to a one bedroom property, it would take almost six years for people to be able to move.

- 125 A potential benefit of the housing under-occupancy changes is that it could, in theory alleviate overcrowding by freeing up larger houses through people moving to more affordable housing. However, in Durham this is unlikely to be a sizable benefit. Current waiting lists show 265 applicants who wish to move because their current home is not large enough.
- 126 Housing providers within the county are taking additional steps to help provide additional support to households at risk. For example, the Durham Key Options letting policy has been reviewed so that priority will be awarded to people suffering financial hardship because of the welfare reform changes. In addition, all housing providers in the county are in the process of adopting a 'Taking in lodgers' policy as well as a proactive approach to housing swaps to help those affected who wish to move where a suitable property is available.
- 127 Ultimately, if they are unable to make alternative arrangements or adjust to their new circumstances, these tenants may fall into debt and default on their rent and end up in arrears.
- 128 This therefore makes it very important that the council's approach to DHP seeks to ensure it reflects the different challenges facing tenants in 2013 and beyond and ensures it targets the restrictive government funding made available to assist as many as possible to find solutions to these challenges.

Policy issues

- 129 Based on the above analysis, it is likely that demand will significantly increase and a key issue for the council in developing its approach is that the increase in government funding will be insufficient to meet all of the current and potential demands and expectations placed upon it.
- 130 The funding available in the current year's funding is already stretched based on existing demand. The specific groups government have indicated should be supported e.g. foster carers, disabled tenants living in adapted property and those affected by the Benefit Cap, could alone require well over £1million of additional funding, well in excess of the total amount we will receive.
- 131 The funding provided by government is clearly insufficient to meet potential demand, especially if the council looks to provide longer term support through DHP for priority groups as the government suggests. The combination of increased demand and reduced resources necessarily means that a tighter eligibility policy is required. In addition, it is important that the council continues to work proactively with housing providers and other partners to assist people where possible to make sustainable financial choices.
- 132 In determining how we apply DHP funding, the council also needs to take account of other costs that could be incurred through tenants having to move or falling into arrears.
- 133 The average amount awarded under the Disabled Facilities Grant is £5,290, therefore if a tenant in an adapted property chose to move they would need to apply for a further grant to adapt their new property.

- 134 Arrears proceedings begin for most of our housing providers two weeks after non-payment of rent, costs of dealing with these vary but as an indication, a case that does not end up in court costs around £25, whilst a case which ends up in a court action costs around £150. (These costs are payable by the tenant.)
- 135 As stated previously in the section on Universal Credit, local areas involved in pilots of direct payment of benefit to the claimant, which is a main theme of the changes, have experienced increasing arrears amongst tenants. This is a concern for our providers and the local authority. One of the county's main housing providers is currently spending over £65,000 per year on cases involving arrears. As rent arrears are likely to increase, this same housing provider has indicated that the changes in welfare could in the worst case increase their costs by over 60 percent to over £100,000 per year.

Options

- 136 The existing policy has been reviewed with consideration of the guidance on how the additional DHP funding should be used in the future. In particular, there is a strong emphasis on supporting foster carers and disabled tenants in adapted property. Research has also been conducted into what other councils are doing both locally and nationally. Three specific options have been identified and outlined below:
- a) Revise the existing policy to include prioritised assistance to specific groups such as disabled tenants in adapted property and foster carers, as the government suggests;
 - b) Incorporate DHP with other funding streams such as the council's new Welfare Assistance Fund, which is to replace elements of support provided via the former Social Fund;
 - c) Develop a more broadly based policy which seeks to manage demand through earlier intervention, tighter control and means testing to try to ensure that assistance is provided where it is needed most and makes a difference.

Option a) Revise the existing policy to include prioritised assistance to specific groups including disabled people in adapted accommodation and foster parents, as the government suggests

- 137 Many authorities have chosen to use DHP to prioritise assistance to disabled people and foster carers as per government guidance, for example Liverpool, Solihull, and South Gloucestershire. It is understood that other councils in the North East intend to pursue this approach and revise their existing policies, so that they comply with the revised regulations and guidance.
- 138 Authorities deciding to do this have however indicated concerns that this approach will create greater demand than the available resources and will need to monitor this very closely and even revise the policy mid year.

Option b) Incorporate Discretionary Housing Payment grant with other funding streams such as the council's new Welfare Assistance Fund, which is to replace elements of support provided via the former Social Fund

- 139 Some authorities are using the DHP grant funding to bolster existing schemes. This is the approach being pursued by Barnet, where they have chosen to incorporate DHP into their replacement Social Fund scheme. The benefits of this are a more streamlined and simple system of local welfare support and reduced administrative costs. The disadvantage is that the discretionary payments, which are intended to provide transitional support while claimants adjust or make alternative arrangements, take on a more crisis or emergency purpose, associated with the 'funding of last resort' objectives of the original Social Fund. Clearly, this option depends on how individual authorities have framed their local Social Fund replacement schemes.
- 140 Given that the council is introducing the Welfare Assistance Fund for emergency purposes, it makes sense to complement rather than supplement this with a DHP policy and scheme.

Option c) develop a more broadly based policy which seeks to manage demand through earlier intervention, tighter control and means testing to try to ensure that assistance is provided where it is needed most and makes a difference

- 141 Some authorities, such as Wakefield, Peterborough and Wiltshire are looking to develop and pursue broadly based approaches, which take advantage of the broad discretion provided for in the guidance to enable them to provide financial assistance where they see fit in response to local need and demand.
- 142 In some instances, authorities are choosing not to follow the government guidance to prioritise specific groups, as Ministers have suggested.
- 143 Kirklees for example, has chosen not to prioritise foster carers affected by the under-occupancy charge, as that could be to the detriment of support to other families generally, which may lead to an increase in the number of children looked after. Instead, Kirklees is developing specific principles for assisting foster carers, but funding is not being directed to prioritise assistance towards this group.
- 144 Specifically prioritising funding for certain groups could be at the expense of others who may equally be in need, which could increase the potential for legal challenge from other groups on the grounds of fairness.
- 145 Given the limited resource and the significant increase in demand anticipated from April 2013 onwards, the council may wish to revise its current approach and the way it manages and assesses applications. For example there has been little cross-over between benefits and housing services to date, with referrals to housing solutions often coming at the end of the process rather than at the beginning.

- 146 A 'triage' approach to initial assessment by housing providers could identify a range of different options and generate an action plan for the tenant around housing, debt management, welfare and employment. Appropriate referrals could be made to help the tenant and DHP may be one of these options, where assistance is required with housing costs. In this case, referrals would be made to the benefits service.

Proposed approach

- 147 Taking into account all of the factors currently understood and the uncertainty of demand, the proposed approach is a revised policy that incorporates the tighter criteria outlined in option a), alongside option c) which aims to provide a triage approach to help manage demand and ensure the tenant is receiving the appropriate support.
- 148 This approach whilst open to all will mean that claimants will need to have been through a triage interview, need to be means tested and to qualify for a longer term award be one of the groups prioritised, e.g. tenants in significantly adapted properties and tenants who are foster carers.
- 149 The revised policy, which has been developed, is attached as Appendix 2 for Members consideration.
- 150 Given the expected demand on the resources available and the desire to offer longer term assistance to priority groups, all applications will continue to be means tested. This will ensure that awards are only made in cases of financial hardship.
- 151 The policy also identifies that assistance will only be given where the tenant is actively trying to improve their personal situation by, for example, taking advice on debt management from an accredited organisation or seeking advice from Durham Key Options partners and Housing Solutions on alternative housing options. A claim will only be considered where the applicant has sought advice and the source of the advice has referred the tenant. In addition assistance would not be provided where the applicant is not taking steps to alleviate their situation.
- 152 Triggers are identified within the policy, which would affect under occupancy or housing benefit entitlement, and subject to means testing would warrant a claim for support, these include where the tenant is expecting a baby, is nearing their 35th birthday or pension age, or has children nearing their 10th and 16th birthday (ages that affect under occupancy).
- 153 In some instances, it may be necessary to offer longer term support. In addition to the two priority groups identified by Ministers (disabled people in adapted housing and foster carers affected by under-occupancy), housing officers and benefits advisors have identified other groups and circumstances where it may be necessary to do so, specifically care leavers where the council has ongoing responsibilities, tenants who are terminally or seriously ill and those within six months of a change trigger.

- 154 The triage approach is being developed jointly with all housing providers and will help the council target financial support for housing costs to those in greatest need, while complying with the guidance and regulations to be issued by government.
- 155 Such an approach would enable the council to better manage demand, maximise other sources of assistance and support, and to ensure that DHP is targeted towards those most in need, where it will make a difference.
- 156 Housing Solutions have already increased their resources in anticipation of the increased workload in responding to the changes; in addition, a provision of £500,000 has been built into the HRA for 2013/14 to provide support for the Council's tenants (see below).
- 157 The situation will be reviewed after three months, which will allow for the impacts of the changes to be better understood.

Funding

- 158 The council could use the overall cash limit facility to supplement the government contribution with funding from other sources including the council's own. Doing so would require savings to be made elsewhere in addition to those identified within the Medium Term Financial Plan (MTFP)
- 159 Given the existing spending pressures on the council and the current savings gap of just over £50 million by 2017, it is imperative that we monitor spend on DHP continuously and closely, which will be done as part of the quarterly financial reporting framework and be kept under close review through the Welfare Reform programme. This also needs to monitor other consequential costs that increase because of the changes in welfare, for example the costs of dealing with increasing rent arrears.
- 160 A provision of £500,000 has been built into the 2013/14 Housing Revenue Account budget to establish an earmarked fund to be used to support the transition to the new system of housing and welfare support, with an emphasis on supporting the council's own tenants through change and addressing financial inclusion issues. This has been set aside to create a social inclusion team to work with tenants on financial management, advice and support, mirroring the establishment of similar teams within the wider social housing sector by housing providers looking to support their own tenants through change. In addition the provision for bad debts has been increased in anticipation of reductions in rent recovery. Housing providers across the County are taking similar steps to gear up for the additional support their tenants will need next year.

Equality Impact Assessment of DHP policy

- 161 At a local level, the council is also required to meet the Equality Act requirements, and the public sector equality duty. Equalities considerations have been built into all local changes associated with the government's national welfare reforms, including the new local Council Tax Support Scheme

(now called 'Council Tax Reduction') and the Welfare Assistance Fund policy. We have also considered equality impacts as part of the development of the proposed Discretionary Housing Policy, to assess and mitigate any impact of the proposed new policy on protected groups.

162 The wider impacts of welfare reform are likely to lead to new or increased applications for DHP across all protected equality characteristics but evidence suggests the most likely impacts of increased demand may be in relation to disability, age and gender.

163 The potential impacts which have been considered include:

Disability

164 Disabled people may be less able to move to other properties or take up employment as a direct result of their disability. Some disabled people, including children, require adapted properties, which are not generally available and often have individual adaptations to meet specific needs; this would restrict their options to move to alternative housing.

165 Some individuals, for example those with a learning disability or mental health problem, may not be able to follow the procedures as easily as others.

166 Additional costs related to some health conditions or disabilities could increase financial hardship but disability benefits may affect the outcome of means tests.

Age

167 Whilst people of pension age are protected against many of the wider welfare reform changes, there are potential issues for those of working age, which may increase demand for DHP. There may be difficulties for working age people whose children have left home or who provide regular care for grandchildren and are affected by the size criteria. There is very limited one bedroom social accommodation available in the county to allow those whose children have left home to 'down-size' whilst those caring for grandchildren or other relatives may have additional costs because of their need for larger accommodation.

168 Those aged just under 35 affected by the single room rate have currently been able to access DHP as a temporary stop-gap until they are eligible for increased housing benefits payments.

169 Alternative housing may not be a cost-effective option for people of working age who currently live within easy travelling distance to their employment. Some areas of the county have reduced or limited public transport, which means that those on low incomes or working unsocial hours could have restricted options to seek alternative housing and stay in employment.

Gender

170 The DWP guidance refers to 'kinship carers' who are usually family or friends and often live within easy travelling distance to care for children, older or

disabled people. Women are more likely to provide care for others and may be particularly affected by financial hardship or related changes to housing.

- 171 Parents with occasional custody or responsibility for children, particularly fathers, may be disadvantaged by the single room rate or size criteria.
- 172 People fleeing domestic violence, mainly women, may be affected by financial hardship. This may also affect people, particularly younger people, fleeing domestic abuse as a result of their sexual orientation or transgender status.
- 173 Whilst there is no evidence of specific negative impact on race, religion or belief, transgender or sexual orientation people with these protected characteristics are often vulnerable to hate crime and abuse which may affect their options to move to alternative housing.

Mitigating actions

- 174 The revised policy aims to take account of equality issues in order to manage the likely increase in demand for DHP and the potential shortfall in funding from DWP. A number of mitigations have been identified including longer term support for some disabled people living in adapted properties and allowing representatives to support or make claims for people who are unable to do so themselves.
- 175 The policy includes specific ‘triggers’ which will be considered at the initial assessment, these relate to customers who are expecting a child or are nearing their 35th birthday or pension age or have children nearing their 10th or 16th birthday. The likelihood or longer term impacts of financial hardship may be mitigated by access to advice on alternative housing options, debt management and employment.
- 176 A copy of the assessment is attached as Appendix 3.

Conclusions on DHP

- 177 Proposing the most effective use of DHP has been difficult to develop because of:
- a) Scarcity of information to predict demand. There is no single source of data through the complexity of our housing provision and the fact that the people and property data required have not previously been required or collected;
 - b) The likely behaviour change as a result of the changes – housing providers are interviewing all of their tenants affected to try to understand this more fully;
 - c) Government assumptions on providing support to particular groups.
- 178 Tenants may try to absorb the reductions, which could result in additional demand in other services areas like health. However all commentators, the government and local authorities expect demand to increase substantially.

- 179 There will be other costs to the council: rent arrears, action on rent arrears and homelessness presentations that are not covered by the increase in DHP. In a recent report on the impact of the changes, the National Audit Office stated that 'it is not clear how the current funding for Discretionary Housing Payments have been determined or whether it is likely to be sufficient for local authorities in tackling the impacts of the reforms'.
- 180 Even where tenants try to take positive action to avoid financial hardship the information available indicates there is currently limited scope to do so. For example should a tenant wish to move, there are limited social sector properties available, 5,387 tenants potentially require a one bedroomed property to avoid the change and this year only 930 became available.
- 181 The approach proposed underpinned by the revised policy seeks to provide a more robust solution in supporting tenants facing financial hardship through providing advice on the most suitable help, which may not be DHP.
- 182 However even with this approach potential demand is likely to outstrip resources available so we will need to monitor the policy very closely. Where necessary the policy and approaches will be reviewed as our understanding of demand improves.

Council preparations and planning for welfare reform

- 183 As part of the plan to coordinate communications and make benefit claimants aware of the impending changes, a Members' seminar was held on 10 January 2013 and a leaflet distributed to councillors and staff, as well as being placed on the internet. Further guidance has also been provided to front facing staff and community and voluntary sector agencies.
- 184 A training plan is in place to ensure all relevant staff receive support on the changes and how to deal with enquiries and requests for advice. This is supplemented by a detailed directory of services and support mechanisms, which contains information on what is available both from within the Council and from other organisations and groups across the county.
- 185 Information on benefit changes has been included in the winter and spring editions of Durham County News and information on the Council Tax Reduction scheme, in the annual mailing to council taxpayers.
- 186 A review of advice services is nearing conclusion to ensure that the council and community and voluntary services are fully informed and provide the public with consistent and coordinated advice and support
- 187 An event for the County Durham Partnership is planned for June 2013 to bring local partners together to capture and understand the range of services, advice and resources, which currently exist. This aims to help ensure as many groups as possible are aware of the different advice and support mechanisms available and to discuss how these can work together.
- 188 The council has also agreed a monitoring framework with partners so that we can track and evaluate the impact that welfare changes have on the county, local communities and the local economy. This has been included in the

- 189 Work also includes monitoring the amount of 'New Burdens' support being provided by government. This is funding provided to local authorities to help fund additional burdens arising from changes in government policy. As the council responds to the changes being introduced, the cost of the actions taken will be compared to the funding that has been provided by government. Where it is clear the funding falls short we will seek to lobby for additional funds.

Welfare Assistance Scheme

- 190 At its meeting on 19 December 2012, Cabinet agreed to introduce a new Welfare Assistance Scheme, in order to fill the gap left for emergency crisis support by the withdrawal of the government's Social Fund, previously administered by the DWP.
- 191 The Assistant Chief Executive in consultation with the Leader was given delegated authority to finalise the detail of the scheme and to seek external support to assist with its administration in time for the proposed commencement date of 1 April 2013.
- 192 Following further consideration and a procurement exercise, the council is working with a partnership comprising Civica, Five Lamps and the Family Fund for the implementation of the scheme.
- 193 They will provide the council with a fully managed service for the provision of our local Welfare Assistance Scheme from 1 April 2013 working closely with the council. The service will include a call centre and website run by our partners and close liaison with voluntary sector partners.
- 194 As a reminder there are two financial elements to the scheme, as follows:
- a) **Daily Living Expenses;** which helps to meet an applicant's immediate short-term needs for goods or services that arise because of a disaster or unforeseen circumstances. In particular, it would provide support if the inability to afford the goods/services will result in a deterioration of the health of the applicant or their partner. This includes direct payments to utility companies and prepayment card/voucher for food and travel.
 - b) **Settlement Grant;** to help applicants remain in the community or move back into the community, after a period in supported or unsettled accommodation. It does this by providing access to a range of standard items such as beds, bedding, furniture and white goods.
- 195 The partnership is based on developing the Welfare Assistance Scheme once the demands are better understood and we have developed our understanding of complementary services available. This will allow us to provide a more holistic service when requests for assistance are received, by being able to draw upon all of the different forms of assistance and help to provide the most appropriate response.

196 This will include working very closely with a wide range of voluntary and community groups to bring together the different services and support mechanisms already in existence so we can signpost and help people with the most appropriate support or advice.

Conclusion and recommendations

197 As reported to Cabinet previously, the government brought forward the Welfare Reform Act 2012 to implement the Coalition's commitment to simplify the benefits system, make it fairer and to encourage people into work.

198 The scale of reform is significant and involves over 40 changes, which will have a significant impact on people in the county when they are implemented from April 2013 onwards.

199 The Department for Work and Pensions is continuing to add detail to the operational implementation of its initial policy reforms and the more recent cap on the future uprating of benefits, as announced in the Chancellor's Autumn Statement in December 2012.

200 The council is continuing to plan and prepare for welfare reform, analysing the potential impacts, revising policies and working with local partners to ensure that local people are aware of the changes and supported wherever possible.

201 With regard to Discretionary Housing Payments, Ministers intend that DHP should provide short-term support to help people with their housing costs, while they adjust to wider changes to welfare such as the introduction of the benefits cap and size criteria in the social sector. Payments have not been designed to mitigate the sort of behaviour change that welfare reform has been developed to drive.

202 While the number of instances where Ministers cite DHP as providing transitional support is large, the amount of grant provided for such purposes is not, and will be insufficient to meet all of the potential demand and expectations.

203 Since 2010/11, demand for DHP has increased by 121 percent and the number of awards made by 180 percent. This trend is set to continue when the next wave of welfare changes are implemented from April 2013. This will further increase the administrative burden on the council.

204 Given the significant and pervasive impacts which welfare reform will have on residents in the county, it is imperative that the council takes advantage of government funding to provide flexible assistance to people who need help.

205 However, given wider financial pressures, it is suggested that such a policy should be aimed at those most in need and suffering financial difficulty.

206 A revised policy has therefore been developed, which through a structured approach to initial assessment and means testing, would seek to manage demand and aims to ensure that the additional funding made available is targeted towards those most in need. Given the large uncertainty on future demand and the fact that the Secretary of State has asked civil servants to

look again at some aspects of welfare reform it is vital that we keep this area under review.

207 Cabinet is therefore recommended to:

- c) Note the contents of this report and further developments in government welfare reform;
- d) Note the progress made with appointing an implementation partner for the administration of the Welfare Assistance Scheme;
- e) Note the changes to Discretionary Housing Payments guidance and the potential options available to the council;
- f) Agree the proposed new Discretionary Housing Payments policy as outlined in Appendix 2;
- g) Agree to review the policy in three months time, to take into account demand and revise the policy as appropriate, subject to Cabinet approval;
- h) Delegate authority to the Assistant Chief Executive in consultation with the Leader, to make any final amendments to the policy and the approach to the distribution of Discretionary Housing Payments from 1 April 2013.

Background papers

[Cabinet, 19 December 2012, Welfare Reform Update – report of Assistant Chief Executive](#)

Contact: Roger Goodes Tel: 03000 268050

Appendix 1: Implications

Finance – Funding available for Discretionary Housing Payments will increase by £549,151 in 2013/14 to £883,089. Whilst other impacts are being managed within available resources, Housing Solutions have already committed £62,600 to provide additional resources in anticipation of the demand. In addition £100,000 has been set aside from Homeless Prevention Fund to fund 3 x Housing Solutions Officers should we see an increased impact.

Further resources of £500,000 have been allocated for 2013/14 from the HRA to provide support to the Councils tenants.

The report highlights that the National Audit Office have also highlighted that funding provided by government is unlikely to be sufficient for local authorities in tackling the impacts of the reforms.

Staffing – Housing Solutions have increased staffing this year through an additional appointment, backfilling and honoraria and have further funding allocated for an additional three Housing Solutions Officers if needed next year.

Risk – the implementation of welfare reform is included as a strategic risk in the corporate risk register.

Equality and Diversity – an impact assessment of the proposed new policy on Discretionary Housing Payments is attached as Appendix 3.

Accommodation – not applicable.

Crime and Disorder – not applicable.

Human Rights – the council will have to be mindful of Human Rights issues in agreeing the proposed approach to Discretionary Housing Payments.

Consultation – the council is consulting with social housing providers on the proposed approach to Discretionary Housing Payments. Housing providers are undertaking detailed consultations with tenants and the results of this will be incorporated into the review of the policy.

Procurement – a procurement exercise was undertaken to identify a delivery partner for the administration of the council's new Welfare Assistance Fund.

Disability issues – the government's changes to welfare will have significant implications for disabled people. The equality impact assessment process considers particular impacts for disabled people. The council's communications and advice about the reforms includes information on changes for disabled people.

Legal Implications – legal advice was sought on delivery options for the new Welfare Assistance Fund and the proposed approach to Discretionary Housing Payments.



Discretionary Housing Payments Policy

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Summary

- 1 The government funds local authorities to make Discretionary Housing Payments (DHP) to people who need assistance with their housing costs.
- 2 In the light of its welfare reform agenda, the government has increased the amount of DHP funding available to help people while they adjust to the impact of changes in their benefit entitlement.
- 3 While the amount of funding made available to the council is increasing, it will be insufficient to meet all of the demand created by the government's wider welfare reforms.
- 4 We have therefore updated our Discretionary Housing Payment Policy to provide people with help and advice to help themselves to adjust to changed circumstances and to ensure that the limited funding available is used to help those most in need to improve their individual situations.
- 5 The core objectives of our new policy are to:
 - a) prevent homelessness;
 - b) keep families together;
 - c) support vulnerable people in sustaining tenancies;
 - d) enable people to secure new sustainable tenancies;
 - e) provide financial respite for people in short-term difficulty;
 - f) encourage people into and maintaining work.
- 6 We intend that our DHP scheme is accessible, transparent, consistent and targeted so that assistance is directed at those most in need as outlined in the policy. In the first instance, potential applicants will need to approach Housing Solutions or their housing provider for advice and support, and will only be considered for DHP if they have done so. Support is intended to be short term in most cases.
- 7 In line with government policy and local needs, priority groups identified in the policy, subject to meeting the qualifying criteria, include:
 - a) People with disabilities, in receipt of any element of Disability Living Allowance or Personal Independence Payments and living in accommodation that has been significantly adapted. This includes adaptations made for disabled children.
 - b) Current and prospective foster carers whose Housing Benefit is reduced because of a bedroom being used by or kept free for foster children;
 - c) Care Leavers, under 25;
 - d) People who are terminally or seriously ill;

- e) People within six months of a significant change trigger which would affect under occupancy or housing benefit entitlement.
- 8 The new scheme will be administered by the Housing Solutions Service and relevant housing providers working in partnership with the Benefits Service who will make the award decisions. All applications for DHP will be subject to means testing/ financial assessment.
- 9 In the light of the limited funding available, anticipated demand and financial pressures on the council, the policy will be monitored closely and kept under review.

Introduction

- 10 Since July 2001, local authorities responsible for administering Housing Benefit have been able to make Discretionary Housing Payments (DHP) to provide further financial assistance to claimants in receipt of Housing Benefit and/or Council Tax Benefit, where the local authority considers that additional help with housing costs is justified.
- 11 In most cases this assistance is intended as 'short term' help for tenants in meeting a shortfall in their rent liability, while they improve their financial circumstances and/or move to more affordable housing.
- 12 DHP is administered by local authorities and funded by a specific grant to local authorities from the Department for Work and Pensions (DWP).
- 13 The Welfare Reform Act 2012 will have a significant impact on large numbers of people who claim Housing Benefit in County Durham, many of whom will see a decrease in their Housing Benefit from 1 April 2013. The DWP has increased DHP funding to local authorities, to help people it considers to be the most vulnerable and in need of short term financial assistance, while its welfare changes are introduced.
- 14 The additional funding is significantly less than the reduction in Housing Benefit and other benefit payments arising from the government's changes to welfare policy.
- 15 In the light of the significant changes to welfare, the council has updated its DHP policy to ensure that it reflects the different challenges which our customers will face and to ensure that we use the limited funding available in a targeted way, to help customers to find solutions to these challenges.
- 16 With limited funding and high levels of demand, the council must target DHP at those most in need in a way which encourages people to take positive action to adjust to or improve their financial or housing circumstances.
- 17 Our DHP policy aims to secure successful outcomes for customers, but recognises that what constitutes a successful outcome will differ from household to household.
- 18 Each application, regardless of the reason or individual circumstances, will be considered on its own merits. Discretionary Housing Payments are

discretionary awards and it is important to note that with the limited funding available, customers who apply to the council for a DHP, are not guaranteed an award.

- 19 Each application will be subject to a financial means test and assessment of what action is being taken to improve their circumstances.
- 20 The council will only consider making a DHP to customers who meet the qualifying conditions as specified in the policy.

Links to council themes and priorities

- 21 The policy supports the council's overall vision to make County Durham 'altogether better' as a place and for local people. The vision is described in the Sustainable Community Strategy (SCS) which is the overarching plan for County Durham.
- 22 The strategy is divided into five themes:
 - **Altogether wealthier** - focused on creating a vibrant economy and putting regeneration and economic development at the heart of the SCS;
 - **Altogether better for children and young people** - enabling children and young people to develop and achieve their aspirations, and to maximise their potential in line with Every Child Matters;
 - **Altogether healthier** - improving health and wellbeing;
 - **Altogether safer** - creating a safer and more socially cohesive county;
 - **Altogether greener** - ensuring an attractive and 'liveable' local environment, and contributing to tackling global environmental challenges.Plus:
 - **Altogether better council** – which describes the improvements the council wants to make in how it manages itself.
- 23 The DHP policy supports the approach to housing and wealth generation as outlined in the SCS and its supporting documents. The updated approach will help us and our partners to address a number of our priority outcomes:
 - The effects of the welfare reform agenda are effectively managed;
 - Safeguarding adults whose circumstances make them vulnerable and protect them from avoidable harm;
 - Improved access to employment and welfare services;

- Children are safeguarded and protected from harm;
- Improved independence and rehabilitation.

Core objectives and key characteristics

24 The core objectives of our DHP policy are to:

- a) prevent homelessness;
- b) keep families together;
- c) support the vulnerable in sustaining tenancies;
- d) enable people to secure new sustainable tenancies;
- e) provide financial respite for people in short-term difficulty;
- f) encourage people into and maintaining work.

25 We intend that our DHP scheme is:

Accessible - the service will be equally accessible to all users who qualify to make an application;

Transparent - the reasoning behind each decision will be clear;

Consistent - decision making will be consistent and in line with the policy framework;

Targeted – assistance will be directed at those most in need as outlined in the policy.

What are Discretionary Housing Payments?

26 DHPs are stand alone payments which provide customers with further financial assistance, over and above their benefit entitlements. They are not benefit payments.

27 They are discretionary payments and will be made at the discretion of the council, in line with this policy and government regulations and guidance.

Qualifying conditions

28 Awards will only be made where the council considers that additional assistance will help customers to find a longer term solution to their housing and financial problems.

- 29 In order to encourage customers to help themselves in the longer term, an application for DHP must be made through the relevant referral process set out in this policy.
- 30 DHPs are means tested, and can be made to residents entitled to Housing Benefit or Universal Credit who are suffering financial hardship, provided the qualifying conditions below are met.
- 31 In order to be considered for a DHP award, the following qualifying conditions must be met:
- a) Before making an application for a DHP, a customer or their representative must have first approached the Council's Housing Solutions team or their housing provider (their landlord) in order to seek advice and guidance in the following areas, as appropriate:

- **Housing Needs** which will include engaging with a variety of landlords in order to secure cheaper, alternative accommodation;
- **Debt Advice/Maximising Income/Welfare Benefits Advice** which will include referral to internal DCC Welfare Rights Team or external organisations for example CAB for advice covering the maximisation of customers income, welfare benefits advice and debt advice;
- **Employability** which will include referral to the DCC Employability Team who will deal with helping customers back into work.

Certain housing providers (HP) offer similar advice services to Housing Solutions and have agreed with the council to follow a standard approach in order to provide customers with advice and guidance on the areas outlined above. Where a customer's housing provider does not provide such advice, the customer or their representative must approach the council's Housing Solutions team. Failure to meet these conditions will render an application ineligible for support.

- b) The customer must be in receipt of one of the following benefits:

- Housing Benefit (HB) **or**
- Universal Credit (UC)

And

- c) Must be unable to pay their rent (a rental liability)

And

- d) Requires further financial assistance with housing costs (this will be tested via a financial means test assessment)

And

- e) The customer, their partner and any other non-dependants in the household do not have savings that could be used to meet the shortfall (evidence of savings will be required as part of the application)

And

- f) Not have sufficient disposable income to meet the housing costs shortfall. This will be determined by completing a financial means test assessment.

And

- g) Must be willing to comply with any reasonable conditions concerning the payment award.

Priority groups

- 32 DHPs are intended to provide assistance with housing costs and are prioritised to help the most vulnerable. In considering applications, the council will prioritise the following groups:
- a) People with disabilities, in receipt of any element of Disability Living Allowance or Personal Independence Payments and living in a property that has been significantly adapted. This includes adaptations made for disabled children;
 - b) Current and prospective¹ foster carers whose Housing Benefit is reduced because of a bedroom being used by or kept free for foster children;
 - c) Care Leavers, under 25;
 - d) People who are terminally or seriously ill;
 - e) People within six months of a significant change trigger which would affect under occupancy or housing benefit entitlement, for example: birth of a child; households with children nearing their 10th or 16th birthdays²; people nearing their 35th birthday or pension age.

Definition of a property which has been significantly adapted

- 33 A property which has been significantly adapted/ designed to meet the needs of the claimant, partner or another member of the household who is disabled. This refers to significant alterations to/ bespoke design of the building structure or fittings which cannot be cost-effectively moved to another property.

¹ Prospective is defined as people who are actively applying to be a foster carer.

² In line with DWP criteria in relation to under occupancy, children of different genders are expected to share a room up to the age of 10, and children of the same gender up to the age of 16.

- 34 For the purpose of this policy the claimant, partner or member of the household who is disabled and for whom the adaptations have been carried out must be in receipt of Disability Living Allowance or Personal Independence Payment.

What DHPs can and cannot cover

- 35 DHPs can cover:

- reductions in Housing Benefit (HB) or Universal Credit (UC) where the benefit cap has been applied;
- reductions in HB or UC for under-occupation in the social rented sector;
- reductions in HB or UC as a result of local housing allowance restrictions;
- rent shortfall to prevent a household becoming homeless while the housing authority explores alternative option;
- rent officer restrictions such as local reference rent or shared room rate.
- costs associated with moving into more appropriate accommodation;
- costs associated with overcoming circumstances which prevent the applicant from moving immediately.

- 36 DHPs cannot cover:

- ineligible service charges, as outlined in government regulations, such as wider property management charges;
- water, sewerage and environmental services;
- an increase in rent due to outstanding rent arrears;
- reductions in income support, job seekers allowance or employment support allowance due to certain sanctions;
- where Housing Benefit has been suspended due to doubt over entitlement or customer's failure to provide pertinent information;
- any shortfall due to ongoing Housing Benefit overpayment recovery;
- rent when the person is getting council tax support but not HB or help with housing costs in UC.

Application process

- 37 Applications will only be considered following confirmation from Housing Solutions or a housing provider (landlord) that the customer or their representative is actively engaging with these services to seek advice to improve their overall circumstances. Failure to meet these conditions will render an application ineligible for support.

- 38 Information can be obtained from:

- Durham County Council Customer Access Points;
- Housing Solutions;
- Housing Providers, such as East Durham Homes, Cestria Housing, Derwentside Homes etc;
- Durham County Council Benefit Service;
- Citizens Advice Service;
- Welfare Rights;
- Durham County Council website.

- 39 Housing Solutions and housing providers will help customers with their applications, gather relevant evidence and send these details to the Benefit Service so that they are in possession of all the facts when considering the application and any subsequent award. Evidence of engagement with Housing Solutions or a housing provider is not in itself a guarantee of a DHP being awarded as each application is subject to a means test.
- 40 An application for DHP must be made in writing and signed by the customer or a person acting on their behalf, for example a person who has authority to act on their behalf.
- 41 Applications will be assessed by the council's Benefit Service, which may request any reasonable and relevant information or evidence in support of an application.
- 42 Customers should provide any information or evidence within one month of the request. Occasionally, this time limit may be extended in appropriate circumstances.
- 43 The Benefit Service will use the information provided to consider the DHP application and may check some of the information in appropriate circumstances with other sources as allowed by law.
- 44 If the customer is unable to provide the required information or evidence the Benefit Service will still consider the application and will take into account any other available evidence.
- 45 However, should the customer fail to provide required information or evidence the Benefit Service will not consider the application.

Amount of award

- 46 The amount of the award is discretionary and will be determined by the Benefit Service, following a means test and an assessment of the customer's circumstances.
- 47 The award may be all or part of the amount requested.

Period of award

- 48 The length of award is discretionary and will be determined by the Benefit Service.
- 49 Where the application is assessed as falling within a priority group, a longer term award may be made up to 52 weeks, where required.
- 50 For all other applications, awards may be made for a period of up to a maximum of 13 weeks, where there have been no previous short term awards of DHP within the present financial year.
- 51 Only one award of DHP will be considered within a 12 month period, unless there are exceptional circumstances.
- 52 The start of a DHP award will usually be:
- the Monday after the written letter, email, signed statement or application form is received;
 - the date on which entitlement to HB commenced, providing that the DHP claim is made within one month of the authority notifying the customer of the HB decision, or such reasonable extension of time as considered appropriate in the particular circumstances of each case;
 - the Monday after a relevant change in circumstances giving rise to the need for the DHP.

Backdating a Discretionary Housing Payment

- 53 The Benefit Service will look at each claim on its own merits when deciding whether or not to backdate a DHP, and will act fairly and consistently.
- 54 DHP can only be considered for a period where the linked HB/UC is payable.
- 55 Consideration will be given to the following when considering a request:
- Personal circumstances;
 - Make-up of the household.

Method of payment

- 56 DHPs will be paid together with Housing Benefit.
- 57 Where the customer is a private tenant the DHP will be issued to the normal payee alongside the Housing Benefit payment.
- 58 Where the DHP is made to a local authority tenant, the DHP payments will be credited to their rent account.
- 59 The Benefit Service will have the final decision as to the most appropriate person to pay and the method and timing of payments, based upon the particular circumstances of each case.

Notification

- 60 The Benefit Service will notify the customer of the outcome of their application in writing. Where the application is unsuccessful, the notification will state the reasons why.
- 61 Where the application is successful, the notification will advise:
- the weekly amount of DHP award;
 - the period of the award;
 - how, when and to whom the DHP will be paid;
 - the requirement to report any relevant change;
 - Information for the customer detailing how to request a reconsideration of our decision.

Changes in circumstances

- 62 As the recipient of a DHP is also in receipt of HB they must adhere to the same regulations of reporting a change in their circumstances which may affect their HB.
- 63 All changes in circumstances must be reported within one month of the change happening and depending on the nature of the change, the DHP award may be amended.

Re-consideration

- 64 DHPs are discretionary and not payments of housing benefit and therefore not subject to the statutory appeals mechanism.
- 65 A customer or appointee who disagrees with the outcome of a DHP assessment may dispute the decision. The request must be made in writing, signed by the customer (or signed authorisation for someone to act on their behalf) and received by the Benefit Service within one month of the written decision about the DHP.
- 66 The Benefit Service will reconsider the original decision (by an officer other than the one who made the original decision), and notify the customer of the outcome of their dispute in writing. Where the original decision is upheld the notification will state the reasons for the decision.
- 67 The outcome of the reconsideration will be final and binding and may only be challenged via the judicial review process or by complaint to the Local Government Ombudsman.

Overpayments

- 68 Where a DHP is found to have been overpaid the Benefit Service will consider whether it is appropriate to recover it in full, in part or not at all. As a general rule overpayments caused by official error will not be recovered,

unless the customer caused or contributed to the error or was aware that too much was being paid.

- 69 Where it is decided to recover an overpayment from the customer or payee, an invoice will be issued
- 70 Notifications to the customer on overpaid DHP's shall offer the opportunity to seek a re-consideration.
- 71 Under no circumstances will recovery be sought for DHP from HB payments due to the customer
- 72 DHP overpayments can be written off in accordance with the authority's current write off policy.

Fraud

- 73 Durham County Council is committed to reducing fraud in all forms. A customer who tries to fraudulently claim a DHP by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968.
- 74 Any information submitted as part of the DHP application process may be used to cross match against other information held by the authority as part of benefit application processes.
- 75 Where it is alleged or the authority suspects that such a fraud may have been committed the matter will be investigated. If fraud is found to have occurred, action will be taken including the recovery of overpaid monies and if appropriate criminal proceedings.

Monitoring and review of the policy

- 76 As a result of the increased funding to local authorities for DHP, the government requires the council to monitor how DHPs are being used to support customers affected by the welfare reforms. In addition to the annual DHP claim form we will also be required to provide a broad breakdown of our expenditure.
- 77 Following a successful application for a DHP we will record the main reason for the award being given from one of the following:
- to support customer affected by benefit cap;
 - to support customer affected by social sector size criteria;
 - to support customer affected by LHA reforms;
 - any other reason.
- 78 The four main reasons reflect the intent of the increased funding.
- 79 Monitoring returns are required to be returned to the DWP twice a year on 30th April and 1st September.

- 80 Welfare reforms pose a significant financial risk to the council and the additional funding provided for DHP is insufficient to meet the loss of housing and other benefits many people will experience from 1 April 2013.
- 81 This policy has been designed to manage demand and ensure that DHP is only awarded to those most in need and that all applications are handled consistently.
- 82 The council will need to carefully monitor the number and value of DHP awarded from 1 April 2013, including monitoring by the protected characteristics set out in the Equality Act 2010, and by priority group as defined in this policy.
- 83 Records and monitoring will be also kept of applications that have been refused and the reasons why
- 84 This policy will be kept under review.

Appendix 3: Equalities impact assessment

Durham County Council – Altogether Better equality impact assessment form

NB: Equality impact assessment is a legal requirement for all strategies plans, functions, policies, procedures and services. We are also legally required to publish our assessments.

You can find help and prompts on completing the assessment in the guidance from page 7 onwards.

Section one: Description and initial screening

Section overview: this section provides an audit trail.	
Service/team or section: Resources	
Lead Officer: Ian Ferguson	Start date: December 2012
Subject of the Impact Assessment: (please also include a brief description of the aims, outcomes, operational issues as appropriate)	
Review of the Discretionary Housing Payments (DHP) policy	
This assessment considers the review of the DHP policy in response to national welfare reform changes. The assessment relates to the changes that Durham County Council is making but we have highlighted possible links with the wider impacts of national changes where this is likely to lead to increased demand for DHP.	

The 2001 Discretionary Financial Assistance regulations make provision for Discretionary Housing Payments to provide additional discretionary financial support to households in receipt of housing benefit (HB) and universal credit (UC). DHP has been administered by the authority since 2001 through a Department for Work and Pension (DWP) annual fund.

As part of the programme of welfare reform, ministers have increased the amount of DHP funding for 2013/14 to mitigate some of the effects of reducing benefit entitlement including the introduction of the benefit cap, size criteria for the social rented sector and reductions in local housing allowance. These payments can be made to residents suffering financial hardship to help with housing costs including a shortfall in rent and moving to more appropriate accommodation. The DWP has issued updated guidance to reflect amendments to the Discretionary Financial Assistance Regulation and offers advice as to how DHP can be used to support customers. There is no statutory right to a DHP and the fund is intended to be used as a short term solution however the benefit service may consider longer term awards in particular for people with a disability who are living in significantly adapted properties and foster carers affected by the size criteria in the social rented sector. Although the money is not ring-fenced the Government is keen to see that the increased funding is substantially used for the purposes for which they are making it available. As a result of increased funding DWP require the council to monitor successful applications and provide a breakdown of how DHP are being used to support customers affected by welfare reform.

The additional funding is unlikely to be sufficient to meet the significant increase in demand expected from April 2013 due to the number of potential claimants and the government's guidance that some awards may be more longer-term or indefinite such as a disabled applicant living in substantially adapted accommodation. In light of this the council is developing a new approach to DHP, based on proactive and structured early intervention and advice, so that financial assistance is targeted at those most in need, experiencing financial difficulty and where it will make a difference.

Who are the main stakeholders: General public / Employees / Elected Members / Partners/ Specific audiences/Other (please specify) – Potential DHP claimants, advice and support services, benefit service

Is a copy of the subject attached? Yes / No

If not, where could it be viewed? Cabinet report – March 2013

Initial screening

Prompts to help you:

Who is affected by it? Who is intended to benefit and how? Could there be a different impact or outcome for some groups? Is it likely to affect relations between different communities or groups, for example if it is thought to favour one particular group or deny opportunities for others? Is there any specific targeted action to promote equality?

Is there an actual/potential negative or positive impact on specific groups within these headings?

Indicate :Y = Yes, N = No, ?=Unsure

Gender	Y	Disability	Y	Age	Y	Race/ethnicity	?	Religion or belief	?	Sexual orientation	?
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How will this support our commitment to promote equality and meet our legal responsibilities?

Reminder of our legal duties:

- Eliminating unlawful discrimination & harassment
- Promoting equality of opportunity
- Promoting good relations between people from different groups
- Promoting positive attitudes towards disabled people and taking account of someone's disability, even where that involves treating them more favourably than other people
- Involving people, particularly disabled people, in public life and decision making

Potential impacts:

Discretionary Housing Payments are intended to provide short term support for those in financial hardship, for example to allow time for people to make alternative financial or housing arrangements, this aims to provide a positive impact for recipients.

Continuing to provide DHP will support the positive impacts for some individuals but the resources made available by DWP are unlikely to meet future demand which would mean that some individuals in financial hardship may not receive DHP and have limited alternative options. Reviewing the current policy and procedure will help to manage the likely increase in demand whilst minimising the risk of disproportionate negative impact on particular characteristics. In addition the review considers alternative support through advice on issues such as debt management and employment in order to minimise the wider risk of financial hardship for some individuals.

DHP can be awarded to people from any of the protected characteristics, currently payments are frequently used to support pregnant women and people aged almost 35 who are affected by the single room rate so that they can remain in their home until other financial arrangements are in place.

It is difficult to predict future demand as a result of welfare reform changes but evidence suggests that people of working age, people with a disability and women may be more likely to submit a claim for DHP. There is no initial evidence to suggest particular impacts from increased demand for DHP on race, religion or belief, transgender or sexual orientation but the full impact

assessment (see Section Two) considers any further information, for example in relation to people fleeing domestic violence.

Legal requirements:

The Discretionary Financial Assistance Regulations 2001 provide a broad discretion to authorities administering DHP however decisions must be made in accordance with acting fairly, reasonably and consistently. Decision processes will be in accordance with our responsibilities and duties under the Equality Act 2010.

What evidence do you have to support your findings

Potential applicants for DHP, county-wide data indicates:

- 8,003 households affected by the introduction of the social sector size criteria resulting in around £5m a year less in the amount of housing benefit (HB) being paid.
- 5,500 claimants are likely to be affected by the changes to non-dependent reductions
- 11,200 households affected by local housing allowance changes which lowered the cap on HB in private rented sector
- 946 claimants affected by amendments to the shared room rate affecting single people under the age of 35
- 400 claimants may be affected by the benefits cap

We do not have a complete picture of demand regarding under-occupancy or the potential number of claimants living in significantly adapted properties at the present time.

To date we know that 369 housing tenants have already moved to smaller accommodation in 2012/13 and in two ALMO housing areas 174 tenants have expressed a desire to move.

Recent draft guidance from the DWP includes the following list of groups who are vulnerable or may need specific considerations:

- people in supported, exempt or temporary accommodation;
- individuals or families fleeing domestic violence;
- those with kinship care responsibilities;

- individuals or families who cannot move immediately for reasons of health, education or child protection;
- households moving to more appropriate accommodation;
- those at risk of becoming homeless or who have previously been homeless;
- disabled people living in significantly adapted accommodation, including any adaptations made for disabled children;
- foster carers, whose housing benefit is reduced because of a bedroom being used by, or kept free for foster children

Further evidence is considered in the full assessment – see Section Two below.

Decision: Proceed to full impact assessment – Yes

Date: February 2013

If you have answered ‘No’ you need to pass the completed form for approval & sign off.

Section two: Identifying impacts and evidence- Equality and Diversity

Section overview: this section identifies whether there are any impacts on equality/diversity/cohesion, what evidence is available to support the conclusion and what further action is needed.

	Identify the impact: does this increase differences or does	Explain your conclusion, including relevant evidence and consultation you	What further
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	it aim to reduce gaps for particular groups?	have considered.	action is required? (Include in Sect. 3 action plan)
Gender	<p>Individual circumstances will determine a DHP award, decisions are not made specifically on the grounds of gender except in relation to pregnancy. Availability of increased DHP funding will mitigate against some of the increase in demand however it is intended as short term support.</p> <p>Applications are likely to continue from pregnant women who may apply for DHP to cover any reductions in Housing Benefit. This would enable them to remain in their current housing until the birth of their child. The revised policy includes specific 'triggers' which will be considered as part of the initial assessment. Pregnancy is one of these 'triggers'.</p>	<p>Draft guidance from DWP identifies a number of groups who may be vulnerable or require particular consideration. Those linked most closely to gender include:</p> <ul style="list-style-type: none"> • individuals or families fleeing domestic violence; • people with kinship care responsibilities; • individuals or families who cannot move immediately for reasons of health, education or child protection; <p>It is not possible to accurately predict the number of future applications in terms of gender. National and local evidence suggests women are more likely to be affected by welfare reform changes generally and may be more likely to apply for DHP. Local evidence shows that almost 61% of applications for housing made to Durham Key Options in the last year came from women and Durham City Homes had 10% more female tenants than male.</p>	<p>Equality monitoring of all applicants presenting for 'early intervention' and of applications for DHP whether or not successful.</p> <p>Analyse monitoring to understand the profile of applications, demand for DHP and impact on certain groups.</p>

	<p>The national changes to welfare reform may also lead to new or increased applications, for example, from women who provide informal care or those fleeing domestic violence or from men who have occasional custody or responsibility for children.</p> <p>Where individuals are not eligible for DHP this may lead to increased financial hardship and greater demand on other support. Individuals and families may need to find alternative housing quickly, alternative options are likely to be limited due to increased demand which could mean moving to less suitable accommodation.</p> <p>Remaining in their current accommodation and meeting increased costs could have a longer term impact on financial security, for example where people use savings or borrow</p>	<p>Domestic violence primarily affects women - local evidence shows 75% of victims in 2012 were female - but it can also impact on men and transgender people. They may be affected by financial hardship and the costs of an existing home as well as refuge accommodation. Particular consideration would need to be given in these circumstances.</p> <p>'Kinship carers' are usually family or friends and often live within easy travelling distance to care for children, older or disabled people. Carers and lone parents are more likely to be female, as a result they may be less able to move to alternative housing away from schools or other services.</p> <p>Women may be particularly affected by financial hardship or related changes to housing and benefits since many work part-time and have lower incomes. Census 2011 figures show that 40% of full-time workers were female whilst they represented 79% of part-time workers. More than 6 times as many women as men did not work because they were looking after the home or family.</p> <p>Fathers who are not primary carers but need to accommodate children may be disadvantaged by the single room rate or size criteria, particularly where their children need separate rooms. Census figures show that almost 11% of lone parents were male.</p>	
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	money to meet the shortfall.		
Age	<p>Individual circumstances will determine a DHP award and not age factors in isolation.</p> <p>There are potential issues for those of working age.</p> <p>People under the age of 35 are already affected by the single room rate but additional impacts of reducing benefit entitlement may mean that DHP applications from this group increase.</p> <p>The national changes to welfare reform may also lead to new or increased applications from other</p>	<p>Pensioners are protected from most of the welfare reform changes including the size criteria for social housing therefore applications for DHP are predicted to come from working age applicants.</p> <p>Draft guidance from DWP identifies a number of groups who may be vulnerable or require particular consideration. Those linked most closely to age include:</p> <ul style="list-style-type: none"> • people with kinship care responsibilities; • individuals or families who cannot move immediately for reasons of health, education or child protection; • foster carers, whose housing benefit is reduced because of a bedroom being used by, or kept free for foster children <p>Local evidence shows that a very low number</p>	<p>Equality monitoring of all applicants presenting for 'early intervention' and of applications for DHP whether or not successful.</p> <p>Analyse monitoring to understand the profile of applications, demand for DHP and impact on certain groups.</p>

	<p>age groups, for example:</p> <ul style="list-style-type: none"> • Families affected by the size criteria where a child is nearing the age when a separate bedroom is required or bedrooms are needed for children to stay on a part-time basis. • Older working age couples whose children have left home or couples who use separate bedrooms due to health or other conditions. • Working age people who are unemployed or in low-income employment. <p>Where individuals are not eligible for DHP this may lead to increased financial hardship and greater demand on other support. Individuals and families may need to find alternative housing quickly, but this will not be a suitable option for some who need additional space for the longer term. Remaining in their current accommodation and meeting increased costs could have an impact on long-term financial security, for example</p>	<p>of foster carers may be affected by the size criteria. Their requirements will be taken into account under the revised policy which also provides an option for longer term support.</p> <p>Those aged just under 35 affected by the single room rate have currently been able to access DHP as a temporary stop-gap until they are eligible for increased housing benefits payments. Given the likely increase in demand from other applicants this group may be less successful in future. The policy includes an age-related 'trigger' and early access to advice may mitigate some of the impact.</p> <p>Children of opposite sexes must have separate bedrooms from the age of ten, this means that some families may apply for DHP as short-term support to remain in their existing accommodation which is otherwise affected by the size criteria.</p> <p>Older working age people whose children have left home are potentially affected by the size criteria but could also face increased costs where children previously contributed to</p>	
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	<p>where people use savings or borrow money to meet the shortfall. In addition people of older working age may need to rely increasingly on benefit payments where they lose their job or through ill health.</p> <p>The revised policy includes the following age-related provisions or 'triggers' which will be considered in the initial assessment in order to minimise impact:</p> <ul style="list-style-type: none"> • A customer nearing their 35th birthday • A customer nearing pension age 	<p>household income. There is very limited one-bedroom accommodation available in the county to allow those whose children have left home to 'down-size'. There is also potential impact for grandparents under pension age who have regular care responsibilities for grandchildren, for example due to parents working shift patterns or as a result of family breakdown, this may mean they need additional bedrooms.</p> <p>Alternative housing may not be a cost-effective option for people of working age who currently live within easy travelling distance to their employment. Some areas of the county have reduced or limited public transport which means that those on low incomes or working unsocial hours could have restricted options to seek alternative housing and stay in employment. Evidence also suggests that people in their fifties and sixties are less likely to find another job if they become unemployed, as a result they may rely solely on benefits or take on low-paid, part-time work to secure an income. Early access to alternative support and advice may mitigate the potential negative impacts for some.</p>	
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<p>Disability</p>	<p>Decisions under the revised policy will take into account reasons for needing to retain accommodation, including specific adaptations because of disability. Availability of increased DHP funding will mitigate against some of the increase in demand however it is not possible to accurately predict the number of future applications in terms of disability.</p> <p>The national changes to welfare reform may also lead to new or increased applications from disabled people, including disabled children, who:</p> <ul style="list-style-type: none"> • Need to live in adapted properties or require additional bedroom space for treatment. • Rely on informal carers, usually family or friends, who live nearby • Live within easy travelling distances of particular services or employment • Rely entirely or heavily on benefits for their income. 	<p>DWP has indicated that the increase in DHP funding is prioritised for disabled people who are living in significantly adapted properties.</p> <p>Although it is not possible to provide figures on the potential number of claimants living in significantly adapted properties at the present time local evidence shows that there is a significant proportion of disabled people in the county. Census 2011 figures show that almost 24% of County Durham's population has a limiting long term illness. There is a limited number of adapted properties available to rent and most of these are in the social housing sector.</p> <p>Additional evidence considered:</p> <ul style="list-style-type: none"> • Almost 1,300 tenants on council housing have had adaptations paid for through a Disabled Facilities Grant in the last two years. • Initial indications from social housing providers suggest a minimum of 2,600 properties have been adapted though the actual figure could be higher. • Estimates from social landlords and housing providers suggest a range of 8% to 18% of tenants likely to be affected by under occupancy are 	<p>Equality monitoring of all applicants presenting for 'early intervention' and of applications for DHP whether or not successful.</p> <p>Analyse monitoring to understand the profile of applications, demand for DHP and impact on certain groups.</p> <p>Ensure means testing takes account of disability related costs and staff are trained to understand the issues.</p>
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	<ul style="list-style-type: none"> • Have higher living costs as a result of their disability. <p>There may also be particular impacts for individuals who are unable to complete the DHP application process, for example, people with a learning disability or mental health condition.</p> <p>The revised policy will take into account the needs of disabled people, including children, living in significantly adapted accommodation through consideration of longer term support where appropriate.</p> <p>Where individuals are not eligible for DHP this may lead to increased financial hardship and greater demand on other support. Individuals and families may need to find alternative housing quickly. Alternatives for some disabled people who need</p>	<p>disabled.</p> <p>Draft guidance from DWP identifies a number of groups who may be vulnerable or require particular consideration. Those linked most closely to disability include:</p> <ul style="list-style-type: none"> • people in supported, exempt or temporary accommodation; • people with kinship care responsibilities; • individuals or families who cannot move immediately for reasons of health, education or child protection; • households moving to more appropriate accommodation; • disabled people living in significantly adapted accommodation, including any adaptations made for disabled children; <p>National and local evidence shows that some disabled people rely on informal or 'kinship' carers. Census 2011 figures show that almost 12% of the county's population provide unpaid care for others, most provided between one and 19 hours of care but almost 19,000 people provided more than 50 hours per week.</p>	
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	<p>lower levels of adaptations and do not qualify for DHP are likely to be limited which could mean moving to less suitable accommodation which does not meet their needs and waiting for adaptations to be made. Some disabled people may also live near to specific services such as care or medical support or specific school for a disabled child. Remaining in their current accommodation and meeting increased costs could have a longer term impact on financial security, for example where people use savings or borrow money to meet the shortfall.</p>	<p>Disabled people may be less able to move to other properties or take up employment as a direct result of their disability. Some disabled people, including children, require adapted properties which are not generally available outside the social housing sector, this would restrict their options to move to alternative housing. Allowing longer term support will mitigate against this impact and provide more favourable treatment for some disabled people.</p> <p>Where someone with a learning disability or mental health problem may not be able to follow the procedures, this will be mitigated to some extent by allowing representatives to support or make claims.</p> <p>Additional costs related to some health conditions or disabilities could increase financial hardship but disability benefits may affect the outcome of means tests, this will be mitigated to some extent by ensuring</p>	
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		assessments take account of disability costs where necessary and staff are trained to understand the issues.	
Race/Ethnicity	There is insufficient data available to determine impacts for race and ethnicity in terms of applications for DHP.		<p>Equality monitoring of all applicants presenting for 'early intervention' and of applications for DHP whether or not successful.</p> <p>Analyse monitoring to understand the profile of applications, demand for DHP and impact on certain groups.</p>
Religion or belief	There is insufficient data available to determine impacts for religion and belief in terms of applications for DHP.		<p>Equality monitoring of all applicants presenting for 'early intervention' and of applications for DHP whether or not successful.</p>

			Analyse monitoring to understand the profile of applications, demand for DHP and impact on certain groups.
Sexual orientation	<p>There is insufficient data available to determine impacts for sexual orientation in terms of applications for DHP.</p> <p>However there may be new or increased applications from lesbian, gay or bisexual people, particularly younger people, linked to homelessness for those fleeing domestic abuse.</p>	<p>Draft guidance from DWP identifies a number of groups who may be vulnerable or require particular consideration. Those linked most closely to sexual orientation include:</p> <ul style="list-style-type: none"> • individuals or families fleeing domestic violence; • those at risk of becoming homeless or who have previously been homeless; 	<p>Equality monitoring of all applicants presenting for 'early intervention' and of applications for DHP whether or not successful.</p> <p>Analyse monitoring to understand the profile of applications, demand for DHP and impact on certain groups.</p>

How will this promote positive relationships between different communities?

Enabling people to stay in their home can have a positive impact on community relationships by maintaining stability – however this can depend on local circumstances.

Section three: Review and Conclusion

Summary: please provide a brief overview, including impact, changes, improvements and any gaps in evidence.

This equality impact assessment considers Durham County Council's review of the Discretionary Housing Payments (DHP) policy in response to changes to welfare reform and the government's increase in funding for DHP.

Availability of increased funding will potentially have a positive impact for recipients as it will help mitigate against some of the financial impact of reducing benefits through welfare reform.

However the additional funding is not expected to be sufficient to fully meet the increased demand for DHP. Developing a more broadly based policy to include earlier intervention such as housing, employment and debt advice and tighter control proposes to manage this likely increase in demand and provide increased support where it will make a difference for people facing financial difficulty.

The wider impacts of welfare reform are likely to lead to new or increased applications for DHP across all protected characteristics

but evidence suggests the most likely impacts of increased demand may be in relation to disability, age and gender.

Disability - the potential negative impacts which have been considered include:

- Disabled people may be less able to move to other properties or take up employment as a direct result of their disability. Some disabled people, including children, require adapted properties which are not generally available and often have individual adaptations to meet specific needs, this would restrict their options to move to alternative housing. Allowing longer term support would mitigate against this impact and provide more favourable treatment for some disabled people.
- Some individuals, for example those with a learning disability or mental health problem, may not be able to follow the procedures as easily as others. This will be mitigated to some extent by allowing representatives to support or make claims.

Age – whilst people of pension age are protected against many of the wider welfare reform changes there are potential issues for those of working age which may increase demand for DHP.

- There may be difficulties for older working age people whose children have left home or who provide regular care for grandchildren and are affected by the size criteria. There is very limited one-bedroom accommodation available in the county to allow those whose children have left home to 'down-size' whilst those caring for grandchildren or other relatives may have additional costs as a result of their need for larger accommodation.
- Those aged just under 35 affected by the single room rate have currently been able to access DHP as a temporary stop-gap until they are eligible for increased housing benefits payments. Given the likely increase in demand from other applicants this group may be less successful in future. Early access to advice and guidance may mitigate some of the impact.
- Alternative housing may not be a cost-effective option for people of working age who currently live within easy travelling distance to their employment. Some areas of the county have reduced or limited public transport which means that those on low incomes or working unsocial hours could have restricted options to seek alternative housing and stay in employment. Early access to alternative support and advice may mitigate this impact for some.

Gender – the wider welfare reform changes mean that there may be new or increased applications for DHP which relate to gender

impacts.

- Carers who provide informal care. The DWP guidance refers to 'kinship carers' who are usually family or friends and often live within easy travelling distance to care for children, older or disabled people. Women are more likely to provide care for others and may be particularly affected by financial hardship or related changes to housing.
- Parents with occasional custody or responsibility for children. This is more likely to affect fathers who are not usually deemed to be primary carers but need to accommodate children and may be disadvantaged by the single room rate or size criteria as a result.
- The majority of people fleeing domestic violence are women, often with children. They may be affected by financial hardship and the costs of an existing home as well as refuge accommodation. Particular consideration would need to be given in these circumstances.

Whilst there is no evidence of specific negative impact on race, religion or belief, transgender or sexual orientation there may be difficulties finding appropriate alternative housing for people with these protected characteristics who are often vulnerable to hate crime and abuse. Also there may be issues for people fleeing domestic abuse as a result of their sexual orientation or transgender status, this may particularly impact on younger people forced to leave home after they 'come out' to family.

Mitigating actions

The revised policy aims to take account of equality issues in order to manage the likely increase in demand for DHP and the potential shortfall in funding from DWP. A number of mitigations have been included to minimise potential negative impacts across protected characteristics.

The policy includes specific 'triggers' which will be considered at the initial assessment, these relate to customers who are expecting

a child or are nearing their 35th birthday or pension age or they have children nearing their 10th or 16th birthday.

In addition the policy identifies particular circumstances which will be taken into account during the DHP assessment. These include:

- Disabled people living in significantly adapted accommodation, including adaptations made for disabled children
- Foster carers whose Housing Benefit is reduced because of a bedroom being used by or kept free for foster children

DHP is intended to provide short term support with housing costs for people who receive Housing Benefit. The revised policy and procedure aims to respond to the likely increase in demand as a result of national welfare reform however some people will not be eligible for DHP, in those cases the potential negative impacts may be mitigated by access to advice on alternative housing options, debt management and employment.

Action to be taken	Officer responsible	Target Date	In which plan will this action appear
Equality monitoring of all applicants presenting for 'early intervention' and of applications for DHP to establish success rates.	Ian Ferguson	Ongoing - quarterly monitoring	
Analyse monitoring to understand the profile of applications, demand for DHP and impact on certain groups.	Ian Ferguson	Ongoing	
Ensure means testing takes account of disability related costs and staff are trained to understand the issues.	Ian Ferguson	April 2013 - ahead of implementation – and ongoing	

When will this assessment be reviewed?	Date: 31.7.13 (following first quarter of implementation)	
Are there any additional assessments that need to be undertaken in relation to this assessment?	N/A	
Lead officer - sign off: Ian Ferguson	Date: 20.2.13	
Service equality representative - sign off: Bev Stobbart	Date:20.2.13	

Please email your completed Impact Assessment to the Equality team - equalities@durham.gov.uk.