

# Report of the Strategic Director of Corporate Services to the meeting of Executive to be held on 7 March 2017.

---

**BQ**

**Subject:**

**Mitigating the impacts of welfare reform on the poorest households and supporting people to access employment through the award of Discretionary Housing Payments.**

**Summary statement:**

The report outlines how Discretionary Housing Payments could be used to mitigate the impacts of the further benefit cap on the District's poorest households and to support people into employment.

---

Stuart McKinnon-Evans  
Director of Corporate Services

**Portfolio:**

**Leader/  
Regeneration, Planning and Transport**

Report Contact: Martin Stubbs/Helen  
Johnston  
Phone: (01274) 432056 and 434401  
E-mail: [martin.stubbs@bradford.gov.uk](mailto:martin.stubbs@bradford.gov.uk) or  
[helen.johnston@bradford.gov.uk](mailto:helen.johnston@bradford.gov.uk)

**Overview & Scrutiny Area:**

**Corporate**



## 1. SUMMARY

- 1.2 The report outlines how Discretionary Housing Payments could be used to mitigate the impacts of the further benefit cap on the District's poorest households and to support people into employment.

## 2. BACKGROUND

- 2.1 The Government's welfare reforms have meant reductions in income for some of Bradford's residents. These reforms continue, with the reduced benefit cap introduced in Bradford in January 2017 and the limit to benefit for families having a third or subsequent child from April 2017. Whilst previous reforms have had an impact on families in the District, these will be specifically targeted at families.
- 2.2 The Centre for Regional Economic and Social Research report published in March 2016 found that 83 per cent of the loss from the post-2015 welfare reforms (£10.7bn a year by 2020-21) can be expected to fall on families with dependent children. On average, couples with two or more dependent children will lose £1,450 a year while lone parents with two or more children will lose £1,750 a year.

*The Uneven Impact of Welfare Reform - March 2016*  
Centre for Centre for Regional Economic and Social Research  
Sheffield Hallam University

- 2.3 Bradford District Plan 2016- 2020 describes the local commitment to supporting children to reach their potential, in terms of their health and well-being, education and employment. Supporting the poorest families to secure the resources available to help them provide a secure and stable home for their children is one way in which this commitment can be met.
- 2.4 Council of the 13 December 2016 requested the Chief Executive bring a report to Executive on how the impact of welfare changes can be mitigated on the poorest families and how parents can be supported to access employment.
- 2.5 Changes in funding of the Discretionary Housing Payment award from 1 April 2017 present an opportunity to consider how families could be supported now. A further report will be brought to Executive on other actions recommended once the newly formed Anti-Poverty Co-ordination Group has deliberated on the matter.
- 2.6 Corporate Overview and Scrutiny Committee of the 2 February 2017 received a report for information and comment as follows:
- 2.6.1 Discretionary Payments – An update on the support provided by the Council to financially vulnerable residents through the Discretionary Housing Payments (DHP) scheme and the Assisted Purchase Scheme (APS) during the period 1 April 2016 to 31 December 2016.

This report is provided as a background document to this report.



### **3. OTHER CONSIDERATIONS**

#### **Anti-Poverty Co-ordination Group**

- 3.1 The overarching multi-partner Anti-Poverty Co-ordination Group that met for the first time on 14 February 2017 has been established to implement a number of the recommendations from the Bradford Scrutiny Poverty Review and consider interventions that will help to alleviate poverty in the district.
- 3.2 The Council Member Anti-Poverty Champion is Cllr Cath Bacon and the group is chaired by the Regeneration, Transport and Planning Portfolio Holder, Cllr Alex Ross-Shaw. The group will, over the coming months, develop a strategic framework and delivery plan.
- 3.3 The Group will work with the Chief Executive to provide the wider report to Executive that will consider how the impact of welfare changes can be mitigated on the poorest families and how parents can be further supported to access employment.

#### **Reduction in welfare benefit cap**

- 3.4 From January 2017, government implemented a further welfare benefit cap. This limits total benefit payments to a maximum of £20,000 per annum for families where the parent or parents are not in paid employment.
- 3.5 The initial benefit cap of a maximum of £23,000 had impacted on the income of families in Bradford where there were three or more children who are relying wholly on welfare benefits. This initially affected around 250 families, but settled at around 150 when the new cap was introduced
- 3.6 The latest reduced cap is now impacting further on the incomes of families with three or more children, who are reliant wholly on welfare benefits. Around 850 of the Districts families are now affected which means that at least 2,550 children are affected.
- 3.7 Those people receiving welfare benefits who are in employment for 16 hours or more per week, and couples where one is in employment for at least 16 hours and the other for at least eight hours per week, are not subject to the benefit cap.
- 3.8 Therefore the principal mitigation against welfare changes and being subjected to the benefit cap for the poorest families is to support those parents into paid employment.
- 3.9 There is local capacity to provide opportunities for skills training and other work-orientated support to those eligible to benefit from it.
- 3.10 The two child limit will not reduce the benefit entitlement of any family, but will mean



families having a third or subsequent child after 1 April 2017, will not receive any increase in benefit because of the additional child (except Child Benefit)

### Discretionary Housing Payments (DHP)

3.11 Government provides funding to Local Authorities to administer the DHP scheme.. The table below shows how much Bradford Council has received in the last 5 years and what is expected in 2017/18.

	Government grant	Council top up	Amount to spend
12/13	£477,525		£477,525
13/14	£1,232,165		£1,232,165
14/15	£1,175,028		£1,175,028
15/16	£890,006	£300,000	£1,190,006
16/17	£1,108,611		£1,108,611
17/18*	£1,400,000		

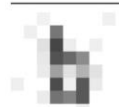
\* anticipated

3.12 The DHP Scheme provides additional support with housing costs for people in need and who are in receipt of Housing Benefit or Universal Credit (where this includes the housing element). The current Bradford Council DHP policy is available at Appendix A.

3.13 DHPs are paid to make up a shortfall between the amount of rent of a property and the amount of housing benefit payable. A DHP may cover the whole or part of the shortfall and is assessed against the available income within a household.

3.14 Whilst DHP is a national scheme, the legislation allows individual local authorities to develop the scheme to support local housing needs and priorities. Bradford's current policy supports:-

- Families with children of school age (and especially those in their GCSE years) where their homes have been deemed to be larger than their family is allowed for housing benefit purposes.
- People in social sector housing whose rented homes are deemed larger than allowed for housing benefit purposes and who have placed themselves on the housing list with the intention of securing 'suitably sized' accommodation.
- Those in rented accommodation where there is a shortfall between the Local Housing Allowance (LHA) and the rent payable.
- Absent parents who have contact with their children and where the single person housing allowance would not cover the cost of suitable accommodation that would allow the children to have access to their parent.



- People moving into work so that they can maintain their tenancy during a transitional period.
  - Disabled people who have had adaptations made to their property and where it would be more costly to move to another property.
- 3.15 Given the temporary nature of the funding, DHP's have always been used as a short-term measure, allowing residents some time to adjust their circumstances to fit their income. With the exception of those living in adapted accommodation because of their condition, they are usually, but not always, awarded for between three and twelve months.
- 3.16 The report to the Council's Corporate Overview and Scrutiny Committee on 2 February 2017 provided further details about Bradford's current scheme and suggested changes that could be made to reflect the evolving reforms. Since this report more data is now available which demonstrates:-
- 1,809 households have been supported so far this year and £867k awarded.
  - Of these households, 689 have children (with £281k awarded) and 1,220 have no children (with £586k awarded).
  - Of the total, 963 or 53% are being supported due to the social sector size criteria (also known as the Bedroom tax), but of these only 256 have children.
  - This situation is even more marked in the private sector, where 758 households have been supported this year, because of a shortfall due to the Local Housing Allowance, with 249 of these having children.
  - Further, of all awards, only 134 are made because of disabled adaptations
- 3.17 The reported increase in funding, the imminent pressure on households with children and the limited support for that group the current policy has provided, means it is appropriate for the Executive to consider its current DHP policy.

**Options for consideration are to:**

- 3.18 Amend the DHP Policy to:
- (1) Prioritise DHP awards to families by extending the period that the DHP can be awarded to them to ensure more stability of tenure. Currently DHPs are generally awarded for between three and twelve months.
  - (2) Where appropriate, encourage an adult or both adults from a household applying for a DHP to undertake skills training or access other work-orientated support. The benefit cap does not apply to:
    - Single parents in receipt of benefits who work for 16 or more hours per



week

- Parents who live as a couple, where one parent works at least 16 hours and the other for at least eight hours per week respectively.
- 3.19 Whilst funding is expected to increase for 2017/18, it will not be limitless, so any change to the DHP policy could affect other groups who currently receive an award. From the information available, households without children or disabled people make up 60% of all awards.
- 3.20 Not changing the local DHP policy, would mean that Council's resolve to support the poorest families would need to be met through other interventions. However, to date use of the DHP has been the main tool to mitigate against welfare changes.
- 3.21 DHP awards would continue to be monitored and reported to ensure that those people applying for them with protected characteristics were not adversely affected through any policy change.

#### **4. FINANCIAL & RESOURCE APPRAISAL**

- 4.1 The Government announced that £800 million in Discretionary Housing Payment funding will be available to residents and administered by Local Authorities over the next five years, with £150 million of this funding earmarked for 2017/18
- 4.2 An announcement of the amount to be awarded to Bradford Council for 2017/18 is expected soon and indications are that it will increase.
- 4.3 Council's are able to add their own funding to support DHPs, but due to funding constraints the Council has not done so since 2015/16
- 4.4 DHP applications are accepted throughout the year and awards (and the length of awards) are made from a fixed amount of funding. The Council will have to continue to prioritise spend in line with policy for the whole year.
- 4.5 Capacity exists within skills training and other work-orientated provision. Any additional referrals and take up of provision will be met from within existing resources.

#### **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

- 5.1 The continuing rollout of Universal Credit means that measures need to be in place to guard against overpayments of DHP. In some cases this means that awards are made for shorter periods of 3 months
- 5.2 Changes to local DHP policy in relation to prioritising families and imposing a condition on payment of the award will mean that further pressure could be placed on resources for managing and administering the scheme.



## **6. LEGAL APPRAISAL**

- 6.1 Legislation supporting DHPs is contained in the Discretionary Financial Assistance Regulations 2001. Whilst broad discretion is allowed, decisions must be made in accordance with ordinary principles about good decision making. In particular, the Council has a duty to act fairly and consistently and in accordance with the public sector equality duty under Section 149 Equality Act 2010.

## **7. OTHER IMPLICATIONS**

### **7.1 EQUALITY & DIVERSITY**

- 7.1.1 The introduction of the further benefit cap has a greater adverse impact on families in our district who have three or more children and who are wholly reliant on welfare benefits for their income. As such the Council can take action to mitigate impacts against this group.
- 7.1.2 The predominant criteria for eligibility for a DHP is based on need and income.
- 7.1.3 The expected increase in Government funding for DHP awards in 2017/18 will be available to support the change in DHP award priorities.
- 7.1.4 An Equality Impact Assessment has been undertaken in relation to the proposed policy change and is available at Appendix B.

### **7.2 SUSTAINABILITY IMPLICATIONS**

- 7.2.1 DHPs support people to remain in their homes and within their established communities with access to their social and community support networks.
- 7.2.2 They are used to support children's education during critical times, such as during GCSEs, to enable parents to provide a stable home location ensuring children do not have to move schools.

### **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

There are no greenhouse gas emissions impacts.

### **7.4 COMMUNITY SAFETY IMPLICATIONS**

Supporting families and other residents to remain in their homes where they have established social, community and support networks supports their own perceptions of safety and security.

### **7.5 HUMAN RIGHTS ACT**

Bradford Council's DHP scheme complies with both the Discretionary Payments



2001 legislation and the best practice guide.

## 7.6 TRADE UNION

None at this time

## 7.7 WARD IMPLICATIONS

People awarded DHPs or undertaking skills training or other work-oriented provision may be residing in wards across the district.

## 7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

Not applicable

## 8 NOT FOR PUBLICATION DOCUMENTS

None

## 9. OPTIONS

9.1 Accept the proposal as set out within this report to amend the DHP Policy to:

- (1) Prioritise DHP awards to families by extending the period that the DHP can be awarded to them to ensure more stability of tenure. Currently DHPs are generally awarded for between three and twelve months
- (2) Where appropriate, encourage an adult or both adults from a household applying for a DHP to undertake skills training or access other work-orientated support.

9.2 Not accept the proposal as set out within the report (maintaining the current local policy for DHP awards)

## 10. RECOMMENDATIONS

10.1 That the DHP policy be amended as set out in appendix A to prioritise families by extending the period that the DHP can be awarded to ensure more stability of tenure. **And- so that** where appropriate, an adult or both adults from a household applying for a DHP are encouraged to undertake skills training or access other work-orientated support.

10.2 That Council officers responsible for skills and training programmes and other work-orientated programmes (such as Skills for Bradford, Get Bradford Working) work with officers in in Revenues and Benefits to investigate and, if viable and cost





neutral, share their client data **subject to the consent of the data subject or otherwise in accordance with the requirements of the law** for the purpose of:

- (1) Identifying parents and other adults who could benefit from provision aimed at supporting them into work or full employment.
- 10.3 That Executive instructs the Strategic Director of Corporate Services to involve the relevant Portfolio Holders and the Council's Anti-Poverty Champion in any further development of the DHP Policy.
  - 10.4 That Council officers in Revenues and Benefits Service ensure that Discretionary Housing Payments are promoted to parents through schools and through other locations in the district to ensure parents are aware of the support available and how to apply for it.
  - 10.5 That the Chief Executive provide a wider report for the Executive at the earliest time on how the impact of welfare changes can be mitigated on the poorest families and how parents can be supported to access employment

## **11. APPENDICES**

- 11.1 Appendix A - Current Discretionary Housing Payments Policy with proposed changes
- 11.1 Appendix B - Equality Impact Assessment on the proposed DHP Policy

## **12. BACKGROUND DOCUMENTS**

- 12.1 [COSC 2 February 2017 - Discretionary Payments](#)
- 12.2 [COSC 2 February 2017 - Bradford Scrutiny Poverty Review - Recommendations progress report](#)
- 12.3 [The Uneven Impact of Welfare Reform - Sheffield Hallam University - March 2016](#)
- 12.4 [Bradford District Plan 2016 - 2020](#)



## Discretionary Housing Payments Policy

Discretionary Housing Payments (DHPs) are payments that can be made to those who require financial assistance in addition to Housing Benefit (HB) and Universal Credit (UC) in order to meet Housing Costs.

The scheme is administered under The Discretionary Financial Assistance Regulations 2001 (SI 2001/1167).

The main aspects of the scheme are:

- The amount of the fund and the maximum amount that can be added by the local authority in any given financial year are limited by the Secretary of State.
- A person must have a liability to pay rent to live in the dwelling and be entitled to HB or the Housing Element of UC in order to be considered for an award of a DHP.

The scheme is totally discretionary; no claimant has a statutory right to a payment.

### Policy Aims

- **To make and keep rental accommodation in the Bradford District affordable. The introduction and control of a maximum weekly award will ensure rents above market value are not supported by the fund.**

*Additionally no award of Discretionary Housing Payment will be made to those in excessively expensive accommodation. Instead the fund will be used to help them relocate to cheaper accommodation.*

- **Prevent unnecessary homelessness, especially families and vulnerable groups.**

*The fund will be used to help claimants remain in their home and homeless claimants secure new appropriate accommodation. This is provided that the property is both suitable for their needs and the rent charged is at an acceptable level.*

*Prioritise DHP awards to families in appropriate cases by extending the period that the DHP can be awarded to ensure more stability of tenure. Currently DHPs are generally awarded for between three and twelve months.*

*The length of award would depend on an individual family's circumstances e.g. .a family with three children where two are in the second year of their GCSE courses and the third will be starting their GCSEs the following year could have an award made to cover the whole period until all three children have completed their GCSE courses.*

*Once an award comes to an end, a further application can be submitted.*



**Help claimants live in accommodation appropriate to the needs of their household.**

*The assessments will take account of the households current and future needs. This will mainly include disabled adaptations, children's education and additional rooms for foster carers.*

- **To ensure any disruption caused by welfare reform, to a child's education, is minimised.**

*Prioritise DHP awards to families\_in appropriate cases by extending the period that the DHP can be awarded to ensure more stability of tenure. Currently DHPs are generally awarded for between three and twelve months.*

- **Assist vulnerable groups to live and remain in suitable accommodation.**

*Special consideration will be given to those in accommodation that has been adapted or is specifically suitable for their medical needs*

- **To help claimants avoid long term dependency on Welfare Benefits.**

*DHPs cannot be considered as a permanent arrangement and normally awards should not exceed 52 weeks.*

*Where appropriate, encourage an adult or both adults from a household applying for a DHP to undertake skills training or access other work-orientated support.*

- **Complement and interface with other discretionary schemes administered by the local authority.**

### **Policy Limitations**

- The weekly maximum amount of DHP in addition to HB and UCH must not exceed the claimant's liability for rent.
- The maximum weekly award of DHP is limited to £50.00 unless the period of payment is less than 13 weeks and the total award is equal to or less than £650.00.

Exceptions to the maximum weekly amount are only permitted as described in the working practice. Where claimants have been affected by the Benefit Cap the



maximum weekly amount may be increased.

- Unless the Claimant/Household meets one of the Policies priorities, no award of DHP shall exceed 26 weeks.
- The weekly maximum amount of DHP in addition to HB and UCH must not exceed the claimant's liability for rent.
- The maximum period of any single award is 26 weeks if the household is over accommodated by 2 or more bedrooms. Repeat awards will only be made as specified in the working practice. **This aspect of the policy would be reviewed to ensure it reflects the revised policy to prioritise and support families' to provide stable and secure homes for their children.**



## Equality Impact Assessment Form

<b>Department</b>	Corporate Services	<b>Version no</b>	V0.00
<b>Assessed by</b>	Paul Bland	<b>Date created</b>	17/02/2017
<b>Approved by</b>	Martin Stubbs	<b>Date approved</b>	17/02/2017
<b>Updated by</b>	Helen Johnston	<b>Date updated</b>	17/02/17
<b>Final approval</b>		<b>Date signed off</b>	

The Equality Act 2010 requires the Council to have due regard to the need to

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between different groups; and
- foster good relations between different groups

### Section 1: What is being assessed?

#### 1.1 Name of proposal to be assessed.

Discretionary Housing Payments (DHP) Policy proposals.

#### 1.2 Describe the proposal under assessment and what change it would result in if implemented.

DHP provide additional support with housing costs for people in need and who are in receipt of Housing Benefit or Universal Credit (where this includes the housing element).

DHPs are paid to make up a shortfall between the amount of rent of a property and the amount of housing benefit payable. The DHP may cover the whole or part of the shortfall and is assessed against the available income within a household. Whilst DHP is a national scheme, the legislation allows individual local authorities to develop the scheme to support local housing needs and priorities.

The options to amend the current policy include:

- Prioritise families by extending the period that the DHP is awarded to ensure more stability of tenure. Currently DHPs are generally awarded for between three and twelve months.



- Where appropriate, make an award conditional on an adult from the household undertaking skills or accessing other work-orientated support. People in receipt of benefits who work for 16 or more hours per week do not have their benefit capped.

Whilst funding is expected to increase, it will not be limitless, so any change to the DHP policy could impact on other groups who currently receive an award. From the information available, households without children or disabled people make up 60% of all awards.

Not changing the local DHP policy, would mean that Council's resolve to support the poorest families would need to be met through other interventions. However, to date use of the DHP has been the main tool to mitigate against welfare changes.

DHP awards would continue to be monitored and reported to ensure that those people applying for them with protected characteristics were not adversely affected through any policy change.

## Section 2: What the impact of the proposal is likely to be

- 2.1 Will this proposal advance equality of opportunity for people who share a protected characteristic and/or foster good relations between people who share a protected characteristic and those that do not? If yes, please explain further.**

Yes

Linking any award to an adult from the household undertaking skills or accessing other work-orientated support will have the potential to have a positive effect on those households on a low income and offer a way out of the negative effects of being on a low income

- 2.2 Will this proposal have a positive impact and help to eliminate discrimination and harassment against, or the victimisation of people who share a protected characteristic? If yes, please explain further.**

Yes

Prioritising families will have the effect of creating stable tenancies which will have a positive effect on those children in the household who will be able to establish themselves as part of a school and community.

- 2.3 Will this proposal potentially have a negative or disproportionate impact on people who share a protected characteristic? If yes, please explain further.**

No

- 2.4 Please indicate the level of negative impact on each of the protected characteristics?**

(Please indicate high (H), medium (M), low (L), no effect (N) for each)



<b>Protected Characteristics:</b>	<b>Impact (H, M, L, N)</b>
Age	L
Disability	N
Gender reassignment	N
Race	N
Religion/Belief	N
Pregnancy and maternity	N
Sexual Orientation	N
Sex	N
Marriage and civil partnership	N
<b>Additional Consideration:</b>	
Low income/low wage	N

**2.5 How could the disproportionate negative impacts be mitigated or eliminated?**  
 (Note: Legislation and best practice require mitigations to be considered, but need only be put in place if it is possible.)

N/A

### **Section 3: Dependencies from other proposals**

**3.1 Please consider which other services would need to know about your proposal and the impacts you have identified. Identify below which services you have consulted, and any consequent additional equality impacts that have been identified.**

Health and Wellbeing and Childrens Services

### **Section 4: What evidence you have used?**

**4.1 What evidence do you hold to back up this assessment?**

Data collected over several years on the administration of DHP schemes and those households who have been assisted.

**4.2 Do you need further evidence?**



No

## **Section 5: Consultation Feedback**

**5.1 Results from any previous consultations prior to the proposal development.**

N/A

**5.2 The departmental feedback you provided on the previous consultation (as at 5.1).**

N/A

**5.3 Feedback from current consultation following the proposal development (e.g. following approval by Executive for budget consultation).**

N/A

**5.4 Your departmental response to the feedback on the current consultation (as at 5.3) – include any changes made to the proposal as a result of the feedback.**

N/A

