

## **CABINET**

**Venue: Town Hall,  
Moorgate Street,  
Rotherham. S60 2TH**

**Date: Wednesday, 10 April 2013**

**Time: 10.30 a.m.**

## **A G E N D A**

1. To consider questions from Members of the Public.
2. To determine if the following matters are to be considered under the categories suggested in accordance with the Local Government Act 1972.
3. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
4. Declarations of Interest.
5. Minutes of the previous meeting held on 27th March, 2013 (copy supplied separately)
6. Minutes of a meeting of the Rotherham Local Plan Steering Group held on 22nd March, 2013 (herewith) (Pages 1 - 5)
  - Strategic Director of Environment and Development Services to report.
7. Localism Act 2011 and the Standards Regime - Appointment of Independent Person (report herewith) (Pages 6 - 7)
  - Chief Executive to report.
8. Amendments to the Code of Conduct (report herewith) (Pages 8 - 20)
  - Chief Executive to report.
9. Revenue Budget Monitoring for the period ending 28th February 2013 (report herewith) (Pages 21 - 30)
  - Chief Executive to report.
10. Discretionary Housing Payments (DHP) Report (report herewith) (Pages 31 - 78)
  - Chief Executive to report.

11. Sheffield City Region: Inter-Authority Agreement (report herewith) (Pages 79 - 80)
  - Chief Executive to report.
  
12. School Improvement Strategy (report herewith) (Pages 81 - 86)
  - Strategic Director of Children and Young People's Services to report.

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	<b>CABINET</b>
<b>2.</b>	<b>Date:</b>	<b>10<sup>TH</sup> APRIL, 2013</b>
<b>3.</b>	<b>Title:</b>	<b>MINUTES OF A MEETING OF THE ROTHERHAM LOCAL PLAN MEMBERS' STEERING GROUP HELD ON 22<sup>ND</sup> MARCH, 2013</b>
<b>4.</b>	<b>Directorate:</b>	<b>ENVIRONMENT AND DEVELOPMENT SERVICES</b>

**5. Summary**

In accordance with Minute No. B29 of the meeting of the Cabinet held on 11<sup>th</sup> August, 2004, minutes of the Rotherham Local Plan Members' Steering Group are submitted to the Cabinet.

A copy of the minutes of the Rotherham Local Plan Members' Steering Group held on 22<sup>nd</sup> March, 2013 is therefore attached.

**6. Recommendations:-**

**That progress to date and the emerging issues be noted, and the minutes be received.**

## **7. Proposals and Details**

The Council is required to review the Unitary Development Plan and to produce a Local Development Plan under the Planning and Compulsory Purchase Act 2004.

The proposed policy change of the new Coalition Government should be noted re: the Localism Bill and implications for the LDF.

## **8. Finance**

The resource and funding implications as the LDF work progresses should be noted.

## **9. Risks and Uncertainties**

- Failure to comply with the Regulations.
- Consultation and responses to consultation.
- Aspirations of the community.
- Changing Government policy and funding regimes.

## **10. Policy and Performance Agenda Implications**

There are local, sub-region and regional implications. The Local Development Scheme will form the spatial dimension of the Council's Community Strategy.

## **11. Background Papers and Consultation**

Minutes of, and reports to, the Rotherham Local Plan Members' Steering Group.

Attachments:-

- A copy of the minutes of the meeting held on 22<sup>nd</sup> March, 2013.

**Contact Name : Karl Battersby, Strategic Director,  
Environment and Development Services**

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**ROTHERHAM LOCAL PLAN STEERING GROUP  
Friday, 22nd March, 2013**

Present:- Councillor Smith (in the Chair); The Mayor (Councillor Pickering); Councillors Dodson, Godfrey and Whelbourn.

together with:- Andy Duncan, David Edwards, Neil Rainsforth, Helen Sleigh and Ryan Shepherd (Planning Service) and Sumera Shabir (Legal Services).

Apologies for absence were received from Councillors Clark, Currie, Doyle, Lakin, McNeeley, G. A. Russell, R. S. Russell and Whysall.

**70. MINUTES OF THE PREVIOUS MEETING HELD ON 15TH FEBRUARY, 2013**

Consideration was given to the minutes of the previous meeting of the Rotherham Local Plan Steering Group, held on 15th February, 2013.

Agreed:- That the minutes of the previous meeting be approved as a correct record for signature by the Chairman.

**71. SITES AND POLICIES DEVELOPMENT PLAN DOCUMENT : FURTHER DRAFT DEVELOPMENT MANAGEMENT POLICIES**

Consideration was given to a report presented by the Senior Planning Officer seeking feedback from the Steering Group on the additional draft development management policies which had not been available at the last meeting. These policies will be subject to further refinement prior to being presented for public consultation in Spring 2013 as part of the draft Sites and Policies document.

The various draft development management policies are:-

- sustainable transport for development
- development affecting designated "Highways Development Control Lines"
- development affecting Key Routes and the Strategic Road Network
- Safeguarded Land for Transport Schemes
- Motorway Service Areas
- Hot Food Takeaways

Members expressed support for these development management policies, especially the restriction on the number of hot food takeaways which would be permitted within the vicinity of school premises. It was considered that this latter policy supports the health agenda in Rotherham, particularly the need to reduce the incidence of childhood obesity.

Resolved:- (1) That the report be received and its contents noted.

(2) That the draft development management policies, as now reported, be

approved insofar as this Steering Group is concerned.

**72. SITES AND POLICIES DEVELOPMENT PLAN DOCUMENT - DRAFT POLICIES MAP**

Consideration was given to a report presented by the Senior Research and Spatial Analysis Officer stating that the draft Sites and Policies development plan document (DPD) is currently being prepared as part of the Local Plan process, with the intention to consult in late Spring 2013. A Policies Map is being prepared to accompany this document and will form part of this consultation.

As part of the Local Plan process, the NPPF requires all local authorities to produce a Policies Map (formerly called a 'Proposals Map') showing a variety of land designations and the location of allocated development sites for housing, employment and other uses. This will eventually replace the current Unitary Development Plan adopted proposals map.

The draft Policies Map, being prepared, will form part of the next round of consultation on the Sites and Policies DPD. This shows a number of land designations (e.g. Green Belt, residential, employment, etc) and constraints (e.g. local wildlife sites, geological sites, etc) and highlights sites that are preferred by the Council to be allocated for development. The development sites have been chosen based on the site selection methodology previously reported to this Steering Group using sustainability appraisal considerations, known constraints and feedback received from earlier site consultations. Full details of the scoring (based on a Red/Amber/Green assessment for each sustainability appraisal topic / constraint) and justification for the final decision for each site will also be available as part of the consultation.

Members viewed and commented on the draft Policies Map and discussed the following salient issues:-

: Dinnington – allocation of land for residential and employment purposes – whether there is too large an area of land being allocated in this area;

: safeguarded ('white') land, which would be identified for development only after a further, full review of the Local Plan; whether there is a sufficient amount of safeguarded land within the Borough area; there is a requirement to have a five-years' supply of safeguarded land and a ten years' supply of such land for housing purposes; until the further review, the safeguarded ('white') land will remain allocated as land within the green belt;

: Bassingthorpe Farm (proposed development land) – within which some safeguarded land will be situated;

: provision of employment land throughout the Rotherham Borough area – the shortage of such land is acknowledged.

Resolved:- (1) That the report be received and its contents noted.

(2) That the Steering Group notes the contents and layout of the draft Policies Map, now submitted, which will be used in the next round of consultation on the Sites and Policies Development Plan Document and the selection of sites proposed to be allocated for development.

### **73. DETAILED GREEN BELT REVIEW**

Consideration was given to a report presented by the Senior Planning Officer concerning the Strategic Green Belt Review which was completed in June 2012 and informed the production of the Publication Core Strategy.

The report stated that the detailed Green Belt review follows on from the Strategic Green Belt Review published in 2012. The Core Strategy indicates that a more detailed Green Belt review will be undertaken to identify the actual boundaries of site allocations in the Sites and Policies Document. This more detailed review will also help decide the detailed boundaries of site allocations in the Broad Locations for Growth as well as deciding which areas to designate as Safeguarded Land, again, in the Sites and Policies Document.

The Strategic Green Belt Review applied a set of criteria, derived from the purposes for including land within the Green Belt, to parcels of Green Belt Land. The Detailed Green Belt Review informs the allocation of sites and safeguarded land in the Sites and Policies Document. Although the results of the review are taken into account as part of the final site selection process, it should be noted that Green Belt considerations are one factor among many to be taken into account.

The Steering Group noted the principal purposes of land situated within the Green Belt:-

- 1) To check the unrestricted sprawl of large built up areas;
- 2) To prevent neighbouring towns from merging into one another;
- 3) To assist in safeguarding the countryside from encroachment;
- 4) To preserve the setting and special character of historic towns; and
- 5) To assist in urban regeneration, by encouraging the recycling of derelict land.

Resolved:- That the report be received and its contents noted.

### **74. DATE AND TIME OF NEXT MEETING**

Agreed:- That the next meeting of the Rotherham Local Plan Steering Group take place at the Town Hall, Rotherham on Friday, 19<sup>th</sup> April, 2013, commencing at 11.00 a.m.

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Cabinet</b>
<b>2.</b>	<b>Date:</b>	<b>10<sup>th</sup> April 2013</b>
<b>3.</b>	<b>Title:</b>	<b>Localism Act 2011 and the Standards Regime – Appointment of Independent Person</b>
<b>4.</b>	<b>Directorate:</b>	<b>Resources</b>

**5. Summary**

Rotherham Borough Council has previously approved the arrangements for appointing an Independent Person, as required by the Localism Act 2011, to support the maintenance of high ethical standards for Elected Members. A recruitment process has been undertaken and the options for appointment are described below. Matters relating to the standards regime are the responsibility of Council, and this report will be considered at its meeting on 17<sup>th</sup> April.

**6. Recommendation**

That Cabinet considers and notes that Council at its meeting on 17<sup>th</sup> April will be asked to:-

- i) appoint David Roper-Newman as Independent Person, for a period of four years; and
- ii) approve establishment of a post for an additional Independent Person.



## **7. Proposals and Details**

In accordance s 28(7) of the Localism Act 2011 the Council is obliged to appoint an Independent Person to assist in the maintenance of high ethical standards. Council delegated the appointment of one Independent Person to a Panel formed from members of the previous Standards Committee. The first recruitment exercise, which was undertaken last summer, was not successful. The exercise was repeated in December, as a result of which the Panel recommended the appointment of David Roper-Newman.

Mr Roper-Newman is a civil servant who has experience of handling human resources issues. He has been an independent member of the Standards Committee of the London Borough of Lewisham for the past 7 years. Mr Roper-Newman lives in West Yorkshire and he has assured the Panel that he had good availability. The Standards Committee at its meeting on 14<sup>th</sup> March 2013, resolved to recommend the appointment of Mr Roper-Newman to Council.

After deliberation at two of its meetings the Committee was also of the view that the appointment of a second Independent Person would be beneficial. Both the Authority and the Member who is the subject of an allegation may consult the Independent Person. Therefore to have two Independent Persons to be available for consultation and advice would reduce the potential for any conflict of interest to arise. The additional Independent Person would be of the same status as the first Independent Person.

Should Council approve the establishment of a post for a second Independent Person, the Standards Committee shall be requested to recommend a suitable individual to Council.

## **8. Finance**

The allowance paid to an Independent Person is £710 p.a. Should Council approve the appointment of an additional Independent Person, the costs can be met from within the current budget for Legal Services.

## **9. Risks and Uncertainties**

As contained in the report.

## **10. Policy and Performance Agenda Implications**

None

## **11. Background Papers and Consultation**

None

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**ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS**

<b>1.</b>	<b>Meeting:</b>	<b>Cabinet</b>
<b>2.</b>	<b>Date:</b>	<b>10<sup>th</sup> April 2013</b>
<b>3.</b>	<b>Title:</b>	<b>Amendments to the Code of Conduct</b>
<b>4.</b>	<b>Directorate:</b>	<b>Resources</b>

**5. Summary**

At its meeting on the 14<sup>th</sup> March 2013 the Standards Committee discussed and recommended changes to the current Code of Conduct for Elected Members. The proposed amendments contained in the appendix to this report. Matters relating to the standards regime are the responsibility of Council and this report will be considered at its meeting on 17<sup>th</sup> April.

**6. Recommendation**

That Cabinet considers and notes the proposed amendments to the Code of Conduct.

## **7. Proposals and Details**

The Standards Committee has been discussing the arrangements for disclosing interests at meetings. The current position under the Code of Conduct for Elected Members is that if a Member has a disclosable pecuniary interest in a matter to be discussed at the meeting, that interest must always be disclosed at the meeting. However in respect of personal interests, if those interests have already been notified to the Monitoring Officer, there is no obligation to disclose them at a meeting where they are relevant to any matter being discussed.

The Standards Committee took the view that the current arrangements do not meet the requirements of transparency and accountability.

Accordingly the Committee at its meeting on 14<sup>th</sup> March 2013, resolved that, in respect of personal interests, an amendment to the Code of Conduct should be introduced to ensure that Members must disclose personal interests at meetings where business affecting those interests is discussed. The Rotherham Borough Council Code incorporating the proposed amendments is attached at Appendix A (see paragraph 11).

Cabinet is requested to consider and note the amendments to the Code of Conduct. These amendments will be considered by Council on 17<sup>th</sup> April.

## **8. Finance**

None

## **9. Risks and Uncertainties**

As contained in the report.

## **10. Policy and Performance Agenda Implications**

None

## **11. Background Papers and Consultation**

None

**Contact Name:** Jacqueline Collins, Director, Legal and Democratic Services  
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**ROTHERHAM BOROUGH COUNCIL**

**CODE OF CONDUCT FOR MEMBERS AND CO-OPTED MEMBERS**

**PART 1**

**General Provisions**

**Introduction and interpretation**

1. (1) This Code applies to **you** as a member of Rotherham Borough Council ("the Council").
- (2) It is your responsibility to comply with the provisions of this Code and uphold the seven principles of public life set out in Annex 1 to this Code.
- (3) In this Code –

A "meeting of the Council" means any meeting of –

- (a) the Council;
- (b) the Cabinet, a committee of the Cabinet or a member of the Cabinet acting under delegated powers;
- (c) the Council's committees, sub-committees, joint committees, joint sub-committees, or area committees.

A "member" includes a co-opted member who is entitled to vote on any question that falls to be decided at any meeting that falls within paragraphs (a) – (c) above.

**Scope**

2. (1) Except when you are acting as a representative of the Council when sub-paragraph (2) applies, you must comply with this Code whenever you –
  - (a) conduct the business of the Council (which, in this Code, includes the business of the office to which you are elected or appointed); or
  - (b) act, claim to act or give the impression you are acting as a representative of the Council.

- (2) Where you act as a representative of the Council –
  - (a) on any of the authorities which are under a duty to have a similar code of conduct to this Code, you must comply with that authority's code of conduct when acting for that authority;
  - (b) on any organisation or body that is not obliged to have a code of conduct, you must comply with this Code except to the extent that this Code conflicts with any other lawful obligations to which that other organisation or body may be subject.

**General obligations**

- 3. (1) You must treat others with respect.
  - (2) You must not –
    - (a) do anything which may cause the Council to breach any of the equality duties;
    - (b) bully any person;
    - (c) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the Council.
  
- 4. You must not –
  - (a) disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where –
    - (i) you have the consent of a person authorised to give it;
    - (ii) you are required by law to do so;
    - (iii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or
    - (iv) the disclosure is –
      - (aa) reasonable and in the public interest; and
      - (bb) made in good faith and in compliance with the reasonable requirements of the Council; or

- (b) prevent another person from gaining access to information to which that person is entitled by law.
- 5. You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or the Council into disrepute.
- 6. You –
  - (a) must not use or attempt to use your position as a member improperly to confer on or secure for yourself, or any other person, an advantage or disadvantage; and
  - (b) must, when using or authorising the use by others of the resources of the Council –
    - (i) act in accordance with the Council's reasonable requirements;
    - (ii) ensure that such resources are not used improperly for political purposes (including party political purposes); and
  - (c) must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.
- 7. (1) When reaching decisions on any matter you must have regard to any relevant advice provided to you by the Council's –
  - (a) chief finance officer (the Strategic Director of Resources); or
  - (b) monitoring officer (the Director of Legal and Democratic Services),where that officer is acting pursuant to his or her statutory duties.
- (2) You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by the Council.

## **PART 2**

### **Interests**

#### **Personal interests**

8. You have a personal interest in any business of the Council where either it relates to or is likely to affect –
- (i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the Council;
  - (ii) any body –
    - (aa) exercising functions of a public nature;
    - (bb) directed to charitable purposes;
    - (cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union); or
    - (dd) which is a private club or society, such as the Freemasons, a recreational club, working men's club or private investment club,  
  
of which you are a member or in a position of general control or management;
  - (iii) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £25; or
  - (iv) a decision in relation to that business might reasonably be regarded as affecting the well-being or financial position of you or a member of your family or a close friend or someone with whom you have a close association to a greater extent than it would affect the majority of other council tax payers, ratepayers or inhabitants of your ward or electoral area.

#### **Disclosable pecuniary interests**

- 9 (1) You have a “disclosable pecuniary interest” in any business of the Council where it is a pecuniary interest of yours or a pecuniary interest of –

- (a) your spouse or civil partner,
- (b) a person with whom you are living as if husband and wife, or
- (c) a person with whom you are living as if you are civil partners

and you are aware that that other person has the interest and the interest falls within the categories of pecuniary interests classed as disclosable pecuniary interests in regulations made by the Secretary of State from time to time under section 30 (3) of the Localism Act 2011.

- (2) The current disclosable pecuniary interests are listed in Annex 2 to this Code.

#### **Notification of interests**

10. You must notify the Council’s monitoring officer of any interest that is classed as a personal interest or a disclosable pecuniary interest –
- (a) within 28 days of becoming a member or co-opted member of the Council;
  - (b) within 28 days of acquiring any interest or becoming aware of any such interest;
  - (c) within 28 days of any change to an interest that you have previously registered; or
  - (d) within 28 days of disclosing an interest at a meeting of the Council

#### **Disclosure of interests**

11. (1) Where you have a **personal interest** in any business of the Council and you attend a meeting of the Council at which the business is considered unless the interest is a sensitive interest (see subparagraph (3)), you must disclose the existence and nature of that interest and then consider whether the interest is of such significance that it warrants withdrawal from and no further participation in the discussion or vote on that item, with any such withdrawal from the meeting being recorded in the minutes.



- (2) Where you have a **disclosable pecuniary interest** in any business of the Council and you attend a meeting of the Council at which the business is considered, unless the interest is a sensitive interest (see sub-paragraph (3)), you must disclose the existence and nature of that interest and, unless you have been granted a dispensation (see sub-paragraph (4)), you must not take part in the discussion or vote on that item and must withdraw from the meeting room, including the public gallery, before the item is considered by the meeting.
- (3) You need not disclose the nature of any **personal interest** or **disclosable pecuniary interest** in an item of business where the Council's monitoring officer considers that disclosure of the details of the interest ("a sensitive interest") could lead to you or a person connected with you being subject to violence or intimidation.
- (4) Sub-paragraph (2) and (3), do not apply where the monitoring officer or the Standards Committee, as the case may be, has granted a dispensation to enable you to take part in the discussion of, or vote on that item, or both.

## Offences

- 12 You commit an offence if without reasonable excuse –
- (a) you fail to notify the monitoring officer within 28 days of becoming a member of the Council of any disclosable personal interests that you have;
  - (b) you fail to disclose at a meeting of the Council the nature and extent of a disclosable pecuniary interest that you have, and are aware of having, in an item of business that is being considered at the meeting, unless –
    - (i) the interest is a sensitive interest and paragraph 11 (3) applies;
    - (ii) the interest is entered in the Register of Members' Interests maintained by the monitoring officer; or
    - (iii) the monitoring officer has been notified that you have such an interest but the register has not yet been updated ("a pending notification");
  - (c) you fail to notify the monitoring officer of a disclosable pecuniary interest that you have disclosed at a meeting of the Council, or

where you are a member of the Cabinet at your delegated powers meeting, as the case may be, within 28 days of the date on which you made the disclosure;

- (d) you participate in any discussion of, or vote on, any item of business at a meeting of the Council in which you have a disclosable pecuniary interest of which you are aware, unless you have been granted a dispensation in accordance with paragraph 11 (4), or
- (e) you have a disclosable pecuniary interest of which you are aware in any item of business to be dealt with, or being dealt with, by you as a member of the Cabinet acting under delegated powers and despite having that interest continue to deal with that item of business, except where such dealing is for the purpose of arranging for the item to be dealt with otherwise than by you.

## **The Seven Principles of Public Life**

### **Selflessness**

1. Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

### **Integrity**

2. Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

### **Objectivity**

3. In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

### **Accountability**

4. Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **Openness**

5. Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

6. Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

7. Holders of public office should promote and support these principles by leadership and example.

**ANNEX 2**

**DISCLOSABLE PECUNIARY INTERESTS**

In accordance with Section 30(3) of the Localism Act 2011 a pecuniary interest is a “disclosable pecuniary interest” in relation to a member, if it is of a description specified below and either

- is an interest of the member, or
- is an interest of:-

the member’s spouse or civil partner

a person with whom the member is living as husband and wife, or

a person with whom the member is living as if they were civil partners,

and the member is aware that the other person has the interest.

However it should be noted that the disclosure of sponsorship is only in relation to the sponsorship of the member and not in relation to a spouse or civil partner.

In the Table below –

“body in which you have a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“relevant period” means the period of 12 months ending with the day on which M gives notification of a disclosable pecuniary interest;

“relevant person” means you (as a member) or your spouse or civil partner; a person with whom you are living as husband and wife; or a person with whom you are living as if you were civil partners;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

**DISCLOSABLE PECUNIARY INTERESTS**

<b>Subject</b>	<b>Prescribed description</b>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within the relevant period in respect of any expenses incurred by the member in carrying out duties as a member, or towards the election expenses of the member. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992(a).
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant Council –  (a) under which goods or services are to be provided or works are to be executed; and  (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant Council.
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the Council for a month or longer
Corporate tenancies	Any tenancy where (to the member's knowledge) –  (a) the landlord is the Council; and  (b) the tenant is a body in which the relevant person has a beneficial interest
Securities	Any beneficial interest in securities of a body where—  (a) that body (to the member's knowledge) has a place of business or land in the area of the Council; and  (b) either—  (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total

	<p>issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>
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1	<b>Meeting:</b>	<b>CABINET</b>
2	<b>Date:</b>	<b>10th April 2013</b>
3	<b>Title:</b>	<b>Revenue Budget Monitoring for the period ending 28th February 2013</b>
4	<b>Directorate:</b>	<b>Resources (for all)</b>

## 5 Summary

This report provides details of progress on the delivery of the Revenue Budget for 2012/13 based on performance for the first 11 months of the financial year. It is currently forecast that the Council will overspend against its Budget by £0.601m (+0.3%); an improvement of £0.677m on the January report which showed a forecast overspend of £1.278m (+0.6%). The main reasons for the forecast overspend are:

- The continuing service demand and cost pressures in looking after vulnerable children across the Borough and
- Additional, one-off property costs relating to the continued rationalisation of the Council's asset portfolio as part of the efficiency drive to reduce operational costs

It is expected that this forecast overspend will further reduce in the final month of 2012/13 financial year following Cabinet's instruction, endorsed by Scrutiny, that future spend should be on essential items only. For the remainder of the financial year spend must only be in respect of ensuring that vulnerable children and adults are safeguarded, be contractually committed, where to not spend would be a false economy, or to ensure compliance with health and safety requirements.

Continued, concerted management action will be also be required during March to ensure that the Council is able to deliver a balanced outturn and preserve its successful track record in managing both its in year financial performance and its overall financial resilience.

## Recommendations

### Cabinet is asked to:

- **Note the progress made to date in delivering the significant financial challenges presented in the Council's 2012/13 Revenue Budget;**
- **Note that the 2012/13 Outturn Report will be presented to Cabinet in June.**

## 7.1 Proposals and Details

This report presents details of spending against budget by Directorate covering the first 11 months of the 2012/13 financial year – April 2012 to February 2013 – and forecast costs and income to 31<sup>st</sup> March 2013.

## 7.2 The Overall Position

Directorate/Service	Annual Budget 2012/13	Projected Outturn 2012/13	Variance after Actions (over(+)/under(-) spend)	
	£'000	£'000	£'000	%
Children & Young People Services	33,961	35,164	+1,203	+3.5
Environment and Development Services	35,594	35,819	+225	+0.6
Neighbourhoods & Adult Services	73,869	73,223	-646	-1.0
Resources	28,961	28,852	-109	-0.4
Central Services	40,905	40,833	-72	-0.1
<b>TOTAL</b>	<b>213,290</b>	<b>213,891</b>	<b>+601</b>	<b>+0.3</b>
Housing Revenue Account (HRA)	73,327	70,641	-2,686	-3.7

Appendix 1 to this report provides a detailed explanation of the key areas of forecast over / underspend by Directorate. The summarised position for each Directorate is described below.

### **Children & Young People's Directorate (£1.203m forecast overspend)**

The £1.203m forecast overspend position is largely due to pressures within Safeguarding and Corporate Parenting Service. The number of looked after children requiring placements reduced by 8 from 391 at the end of March 2011 to 383 at the end of March 2012. As at the end of February this number has risen to 407. Within this the number of children in residential out of authority placements is 23 (an increase of 6 since 31 March 2012).

Pressures on budgets for provision of Out of Authority Residential care (+£1.607m) and the provision of independent Foster Care placements (+£332k) are the main service pressures.

Forecast savings across the service are helping to mitigate these key pressures. Details are shown in Appendix 1.

Children's Social Care services remain under pressure despite the services' proactive approach to drive down costs including:

- The Multi-Agency Support Panel introduced by the Director of Safeguarding & Corporate Parenting in April 2011 has in the current year (2012/13) delivered **cost avoidance in the region of £703k - this represents costs avoided through effective multi agency management actions and decision making.**



- Successful work undertaken by the Commissioning Team has resulted in the commissioning and re-commissioning service provider contracts with significant cost reductions/cost avoidance (£459k) to date.

Children's Services continue to look for ways to reduce spend.

### **Environment & Development Services (+£225k forecast overspend)**

The Directorate is currently forecasting an overspend of +£225k largely due to pressures in Streetpride (+£365k). The forecast overspend in Streetpride includes a potential pressure of +£434k for Winter Maintenance based on spend for an 'average' winter. Other savings across the wider Directorate help to reduce this pressure. Details of the forecast overspend are included in Appendix 1.

### **Neighbourhoods and Adult Services (-£646k forecast underspend)**

Overall the Directorate is forecasting an underspend of -£646k. Within this, Adult Services are forecasting an underspend (-£490k) and Neighbourhood services a -£156k underspend. The forecast position for Neighbourhoods and Adult Services is made up of a number of under and overspends, detailed in Appendix 1.

### **Resources Directorate - (-£109k forecast underspend)**

Overall the Directorate is currently forecasting an underspend of -£109k. The main savings are within the Commissioning, Policy and Performance (-£50k) and additional income generation and staff cost savings within HR services (-£176k). There is a key pressure is within Asset Management (£117k), largely due to Office accommodation costs and the cost of selling properties.

### **Central Services – (-£72k forecast underspend)**

In setting the 2012/13 Budget, the Council put forward council-wide savings targets in respect of Commissioning and Staff savings. Delivery of the recurrent £2.2m staff savings target is ongoing. Savings realised from recent Voluntary Severance and Voluntary Early Retirement (VS/VER) approvals are now reflected within the Directorate's reported monitoring positions. The balance of the budget earmarked for for VS/VER which remains due to lower take-up than forecast leaves a net pressure of **+£1.186m** against the 2012/13 staff saving target.

The Commissioning Team have delivered £1.16m savings towards the recurrent savings target. Work to deliver further commissioning savings is ongoing. The current shortfall against this target is **+£1.125m**. Accounting Opportunities have been identified to mitigate this pressure in 2012/13. The Commissioning Team have also delivered savings in of excess of £459k which have mitigated the level of cost pressures within Children's services.

Forecast Land Bank pressures of **+£709k** exist due to the need to keep secure properties which have been vacated until they are sold or demolished.

Customer Services has a forecast overspend of **+£154k** due to delay in delivering the 2012/13 Customer Services savings target (£250k).

To partially mitigate these central pressures the Council has one-off grant funding (**-£495k**) in respect of adjustments to Housing Benefit claims from 2011/12, the

### 7.3 Housing Revenue Account (HRA) (-£2.686m forecast underspend)

At this stage of the financial year the Housing Revenue Account is forecasting a £2.686m underspend. Any underspend at the end of the year will transfer to HRA reserves (ringfenced funding).

### 7.4 Agency, Consultancy and Non-Contractual Overtime Costs

The forecast outturn position includes costs in respect of Agency staff, Consultancy and non-contractual overtime. Detailed below is the analysis by Directorate:

#### Agency

Directorate	Outturn 2011/12	Cumulative to Feb 2012	Cumulative to Feb 2013
	£'000	£'000	£'000
Children & Young People's Services	1,855	1,764	471
Neighbourhoods & Adult Services	379	308	376
Environment & Development Services	265	261	205
Resources	11	11	187
<b>TOTAL</b>	<b>2,510</b>	<b>2,344</b>	<b>1,239</b>

Agency spend in Children's Services has significantly reduced in 2012/13 due to the successful campaign to recruit Social Work staff and hence avoid the need to engage more costly Agency staff.

The use of agency staff in both Neighbourhoods and Adult Services has increased compared to 2011/12 mainly due to social work vacancies and the need to maintain essential cover in some services areas.

Environment and Development Services agency costs have reduced compared to 2011/12 levels of expenditure.

All Agency spend in the Resources Directorate relates to former RBT services which transferred back to the Council. In 2011/12 RBT incurred Agency costs of £621k.

#### Consultancy

Directorate	Outturn 2011/12	Cumulative to Feb 2012	Cumulative to Feb 2013
	£'000	£'000	£'000
Children & Young People's Services	304	199	275
Neighbourhoods & Adult Services	0	0	0
Environment & Development Services	78	77	62
Resources	24	24	26
<b>TOTAL</b>	<b>406</b>	<b>300</b>	<b>363</b>

The majority of Consultancy spend within Children's Services relates to the School Improvement Service. This is funded from a combination of revenue budget (25%) and Dedicated Schools Grant (DSG) and earned income from Schools.

### Non-Contractual Overtime

Directorate	Outturn 2011/12	Cumulative to Feb 2012	Cumulative to Feb 2013
	£'000	£'000	£'000
Children & Young People's Services	107	98	103
Neighbourhoods & Adult Services	314	292	355
Environment & Development Services	471	407	423
Resources	79	71	170
<b>TOTAL</b>	<b>971</b>	<b>868</b>	<b>1,051</b>

Children's Services overtime is largely in respect of safeguarding in residential care homes.

Overtime spend within Adult Services is mainly due to the need to maintain statutory staffing levels in residential, home care, day care services and social work posts and represents cover for sickness and slippage in recruiting to vacant posts.

Environment and Development Services overtime spend is predominantly in respect of Streetpride Services – Highways, Network Maintenance, Street Lighting, Street Cleansing and Grounds Maintenance (£276k) where work is often undertaken at times to avoid inconvenience and danger to the public. Planning and Regeneration Services (£41k) and Waste Management Services (£106k) for sickness and holiday cover.

The Resources Directorate's overtime spend to February 2013 includes £101k which relates to former RBT services which transferred back to the Council. The equivalent overtime spend for these former RBT services for the period April 2011 to February 2012 was £83k. This overtime spend is predominantly in respect of maintaining ICT and Customer Support Services. Facilities Services have also incurred overtime costs of £40k for the 11 months ending 28<sup>th</sup> February 2013.

## 8. Finance

The financial issues are discussed in section 7 above.

Management actions to bring projected spend in line with Budget limits have already been put in place, including a freeze on all but essential spend as instructed by Cabinet when the September Budget Monitoring Report was considered. This action was also endorsed by Scrutiny. Additionally the Chief Executive has given written instruction that unless contractually committed, spend for the remainder of the year must only be for ensuring the safeguarding of vulnerable children and adults, to meet health and safety requirements, avoid false economy and/or be highly sensitive to local members or local communities. Work is being undertaken to identify further actions to bring spend in line with budget by the end of March 2013.

## 9 Risks and Uncertainties

At a time of economic difficulty and tight financial constraints, managing spend in line with the Council's Budget is essential. Careful scrutiny of expenditure and income across all services and close budget monitoring therefore remain a top priority.

## 10. Policy and Performance Agenda Implications

The delivery of the Council's Revenue Budget within the parameters agreed at the start of the current financial year is essential if the objectives of the Council's Policy agenda are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.

## 11. Background Papers and Consultation

- Revenue Budget and Council Tax for 2012/13 Report to Council 7th March 2012.
- Strategic Directors and Service Directors of the Council

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**Key reasons for forecast over / underspends****Children & Young People's Services (£1.203m forecast overspend)**

The key factors contributing to the forecast overspend are:

**Children Looked After** – Forecast overspend of **+£1.736m**. The forecast overspend on Residential out of authority placements is +£1,607k. The number of children in residential out of authority placements as at 28th February is 23 (an increase of 6 since 31 March 2012). £405K of this is due to not receiving the level of income expected from the PCT.

The forecast overspend on Independent Fostering placements is +£332K. The number of children in Independent foster care as at 28th February is 118 (a reduction of 15 since the end of March 2012).

The number of looked after children requiring placements reduced by 8 from 391 at the end of March 2011 to 383 at the end of March 2012. As at the end of February this number is 407.

These overspends are offset by underspends on in house Residential (-£171K) & transport for looked after children (-£32K).

**Other Children & Families Services** – Forecast underspend of **-£50k** as a result of overspends on Special Guardianship allowances (+£42K) & Inter Agency Adoption Fees (+£97K), Adoption Allowances (+£15K) & Supplies (+£4K) offset by underspends on leaving care services (-£69K) & CAMHS Contract (-£139K).

**Special Education Provision** – Forecast overspend of **+£114k** due to Complex Needs placements (+£159K) offset by additional income generation (-£25K) & staff slippage (-£20K).

**Youth & community** – Forecast overspend of **+£12k** due to under recovery of income on the Outdoor Education services (+£30K) offset by underspend on supplies & services in the Youth Service (-£18K).

**Pension/Miscellaneous** – Forecast Overspend of **+£13k** due to £5K of additional pension costs & £8K for a higher charge for Records Management services than expected.

**Delegated Services** – Forecast Overspend of **+£28k** due to a projected under recovery of income at Rockingham Professional Development Centre.

The above over spends are being offset by under spends of **-£650k** from staffing slippage (-£320k), supplies & services (-£136K), redistribution of grant (-£163) & additional income generation (-£41K).

The Directorate has developed and is maintaining a Budget Savings Action Plan to track progress on delivery of the savings. Progress against the Action Plan is considered at fortnightly Directorate's Leadership Team (DLT) meetings. The Chief Executive and Director of Finance also attend these meetings on a monthly basis.

Delivery of the savings will require change in the way services are configured, and work is

already well in hand to effect that change, and by staff in CYPs Directorate. Furthermore, significant Council-wide resource is being marshalled to support CYPs staff in the implementation of change.

### **Environment & Development Services (+£225k forecast overspend)**

#### **Streetpride (+£365k)**

**Network Management** – reporting a **+£459k** over spend.

In the main is due to a potential **+£434k** pressure on Winter Maintenance based on an average winter (this is the underfunded amount). There are some pressures across the Service which are due to Parking Income targets not being achieved **+£79k**. Some savings (predominantly staff savings) have been identified in Street lighting and Streetworks enforcement of **-£40k**, which help reduce other identified pressures. Further savings include over recovery of income on Section 38 income **-£20k**. Other pressures of **+£6k** exist across the service.

**Waste Management** – reporting **-£53k** forecast underspend, which in the main is due to savings from contract renegotiations and from changes to collection arrangements for Green Waste over the winter period. These now exceed the value of income pressures on Waste Collection.

**Transportation** – reporting a forecast overspend of **+£35k** and there are other small pressures across the service amounting to **+£40k**. The Corporate Transport Unit and Depot are forecasting an income surplus of **-£18k**, and Home to School Transport **-£66k**. Overall Leisure and Community Services has a forecast underspend of **-£32k** where savings are mitigating some significant pressures on Allotments and Grounds Maintenance.

#### **Regeneration and Planning (-£91k)**

**Markets** budgets are forecasting a pressure (**+£24k**) due to:- fewer traders renting stalls(+£10k) , an estimated requirement for repairs (+£25k), with both pressures partially mitigated by savings on overheads (-£11k). **Development Control** estimates a pressure of **+£64k** due to lower than expected income being received over recent months.

**Service-wide pressures** of **+£160k** across Planning and Regeneration services also exist. These are being offset by savings of **-£96k** across the whole service and **-£224k** within Cultural Services, this includes **-£59k** from Heritage Services and **-£13k** from Theatres, with the balance being saved with Libraries due to the review, and savings due to vacancies and reduced spend due to the imposed moratorium. **The Local Development Framework** is also forecasting an improved position (**-£19k**).

#### **Business Unit (-£49k)**

**The Business Unit** is forecasting a small saving of **-£49k** due to the moratorium on non-essential spend.

### **Neighbourhoods & Adult Services (-£646k forecast underspend)**

Adult Services are forecasting a underspend of **-£490k**, however, a number of pressures are being offset by a number of areas of forecast underspend and management actions.

**Learning Disabilities Independent Residential Care** – loss of continuing health income plus transfer of former health funded clients (+£443k).

**Older People in-house residential care** - additional agency costs to cover vacancies and long term sickness (+£8k) plus income shortfall in respect of client charges (+£112k).

**Direct Payments** – forecast overspend of (+£1.704m) across all client groups due to increase in demand, a net increase of 140 clients since April.

**Transport** - recurrent budget pressure on transport (+£257k) including income from charges.

**Physical & Sensory Disabilities** – loss of health funding within supported living scheme (+£25k)

These forecast pressures are being offset by the following forecast underspends:-

**Older People's service** – forecasting a net underspend on independent sector residential and nursing care due to 56 clients less than forecast, an increase in the average client contribution and income from property charges (-£372k).

**Older People's Domiciliary Care** – overall forecast underspend (-£234k) due to an increase in client take up of Direct Payments.

**Older People Assessment & Care Management** – slippage on recruitment to vacant posts plus additional income from health (-£344k).

**Older People Day Care** – savings from the review of the service (-£203k)

**Learning Disabilities** – forecasting an underspend within supported living due to additional income from health plus one-off grant funding (-£202k).

**Physical and Sensory Disabilities** – planned slippage on developing alternatives to residential provision (-£542k) to offset pressures on Direct Payments budgets plus income from property charges. Forecast underspend on independent sector day care due to value for money review of current contracts (-£25k).

**Mental Health Community Support** – delayed start up of supported living scheme to offset pressures in Direct Payments (-£156k).

**Community Elderly Mental Health** – slippage in developing dementia services (-£225k).

**Assistive Technology** – forecast slippage in the further development of schemes against budget (-£138k).

**Carers** – underspend due to vacant posts and slippage in take up of carers breaks (-£192k).

**Safeguarding** – underspend (-£24k) due to slippage on recruitment to vacant post plus additional income from court of protection fees.

**Rothercare** – slippage on service review including options for renewal of alarms is resulting in an overall forecast underspend of -£146k.

Supporting People – savings due to lower activity on a number of subsidy contracts (-£142k).

**Other forecast underspends** include general premises, equipment and supplies and services costs (-£94k) as a result of the moratorium on non-essential spend.

The forecast includes the recently agreed Winter Pressures funding from Health plus the effect of realigning procurement savings budgets.

**Note: Supporting People** - Efficiency savings of £234k on negotiated changes to subsidy contracts are being offset against the corporate commissioning savings target and are therefore not included in the Adult Services forecast.

**Neighbourhood Services: - £156k** forecast underspend comprises:

**Public Health** – restructure of service resulted in delays to filling vacant posts earlier in the year (-£54k).

**Housing and Communities** – savings on vacant posts (-£23k) and forecast underspend on Community Leadership Fund (-£25k). As in previous years, this £25k balance will be requested for roll-forward into 2013/14.

**Strategic Housing & Investment Service** - forecast underspend on Lighting of Staircases budgets based on expenditure to date (-£32k).

**Environmental Health** – efficiency savings on transport and premises costs plus reduction in spend on supplies and services as a result of the moratorium on non essential spend (-£19k).

**Central** – ending of Asylum Seeker funding and vacancy factor pressure has been offset by savings on supplies and services is resulting in a forecast underspend of -£4k.

**Housing Options** – minor overspend on supplies and services budget (+£1k).

### **Resources Directorate (-109k forecast underspend)**

**Asset Management** – Overall forecast is currently a **+£117k** overspend largely due to Office accommodation costs and the cost of selling properties.

**Commissioning, Policy and Performance services** – **-£50k** forecast underspend as a result of the moratorium on non essential spend

**HR and Payroll Services** - **-£176k** forecast underspend due to additional income generation from services sold to Schools and Academies (-£76k) and -£100k staff savings.



1.	<b>Meeting:</b>	<b>Cabinet</b>
2.	<b>Date:</b>	<b>10<sup>th</sup> April 2013</b>
3.	<b>Title:</b>	<b>Discretionary Housing Payments (DHP)</b>
4.	<b>Directorate:</b>	<b>Resources</b>

## 5. Summary

Discretionary Housing Payments (DHP) is administered by local authorities and allows additional help to be given to claimants where their Housing Benefit entitlement is not sufficient to cover their housing costs.

DHP funding is provided by the Department of Works and Pensions (DWP). To help local authorities deal with the impact of welfare reform, in particular the Social Sector Size Criteria and the Benefit Cap, the national annual funding for 2013/2014 has been increased from £60m to £155m. As a result of this Rotherham's allocation has increased from £115k to £437k.

It should be noted that the Government recently announced protection for foster carers against the social size criteria rules and as a result of this it is expected that funding will be reduced although the actual changes to legislation and the amount of funding is as yet unknown.

Although the increase in funding is substantial it is small compared with the estimated total benefit loss in Rotherham as a result of the Social Sector Size Criteria and the Benefit Cap will be £3.27m.

The authority may spend in excess of the DWP funding with a maximum upper spending limit of £1.094m, however any spend above the funding level of £437k has to be met from the Councils own funds.

Although authorities have local discretion on how the funding is spent there is an expectation that local authorities will follow DWP guidance (which has recently been updated) in administering the Discretionary Housing Payment scheme.

## 6. Recommendations

**Cabinet are asked to:**

- **Note the contents of the report; and**
- **Approve that funding will be prioritised to:**

- **Support Disabled people who live in significantly adapted accommodation who are affected by the Social Sector Size Criteria**
- **Support Foster Carers who need an extra room and who are affected by the Social Sector Size Criteria**
- **Provide short term assistance to Claimants affected by the Benefits Cap**

## 7. Proposals and Details

- 7.1 DHP can be awarded as additional assistance towards housing costs. At present awards are made for many reasons but the majority are made to private rented tenants whose Local Housing Allowance rate does not meet their full rent. The increase in funding for 2013/2014 is to help local authorities to deal with the impact of welfare reform, in particular the Social Sector Size Criteria and Benefit Cap.
- 7.2 **Social Sector Size Criteria (“Bedroom Tax”)** – From 1st April 2013 many social housing tenants living in properties deemed too large for them by the DWP will have their Housing Benefit payments cut by 14% where over occupying by one room and 25% where over occupying by two rooms.
- 7.3 In Rotherham latest estimates are that 4,384 households will be affected with an average loss of £12.66 per week. Of those 3,577 will see a 14% cut with an average loss of £11.24 per week, while 799 will see a 25% cut with an average loss of £19.58 per week.
- 7.4 Current DWP guidance suggests that the additional DHP funding for the “Bedroom Tax” should be target specifically at two groups:
- Disabled people who live in significantly adapted accommodation; and
  - Foster carers, including those who need to keep an extra room when they are in between fostering. The anticipated introduction of protection for Foster Carers may remove the requirement for DHP in these cases.
- 7.5 **Benefits Cap** – From 15/07/2013 the DWP will introduce a cap on the maximum total out of work benefits to £500 per week for a couple and £350 per week for single adults. The cap will be administered by local authorities through a reduction in Housing Benefit entitlement. Some households in receipt of certain benefits such as Disability Living Allowance, Attendance Allowance etc will be exempt from the cap.
- 7.5 In Rotherham, latest estimates are that 136 households will be affected with an average loss of £53.18 per week.
- 7.6 DWP guidance regarding the additional DHP funding for the Benefit Cap is to provide short term assistance rather than a long term solution.
- 7.7 **Applications for DHP** – Applications for DHP must be made on the official council DHP application form which is available from the Benefit Assessment Team (01709 - 336065), on line from [www.rotherham.gov.uk/dhp](http://www.rotherham.gov.uk/dhp) or at any of the authorities Customer Service Centres.
- 7.8 The application will be assessed by a Senior Benefit Officer of the Benefits Assessment Team. Although there is no right to appeal to an independent body the Service operates a internal review process where applicants are not satisfied with the outcome.

## 8. Finance

- 8.1 Funding of £437k had been provided by the DWP for DHP. The authority may spend up to a maximum £1.094m, however, any spend above the funding level has to be met from the Council's own funds.
- 8.2 It should be noted that the Government recently announced protection for foster carers against the social size criteria rules and as a result of this it is expected that funding will be reduced although the actual change to funding is as yet unknown.

## 9. Risks and Uncertainties

The risks for the Council are as follows:

- It is anticipated that the demand for DHP will substantially exceed both the allocated funding of £437k and the upper spending limit of £1.094m. Any spend over the DWP funding level will have to be met from Councils own funds.
- DHP spending will be closely monitored throughout the year and reported back to Members.

## 10. Policy and Performance Agenda Implications

DHP applications are, due to their discretionary nature, complicated to assess and the substantial increase in numbers that we are already experiencing will result in delays in the assessment and notification of results to claimants.

## 11. Background Papers and Consultation

DWP Guidance (Draft)

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# Discretionary Housing Payments Guidance Manual

Including Local Authority Good Practice Guide

April 2013

DRAFT

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# Introduction

## Purpose of this guidance

- 1.0 This guidance replaces the March 2011 guidance and is aimed at local authorities (LAs) in England, Scotland and Wales who are responsible for administering Discretionary Housing Payments (DHPs).
- 1.1 The guidance is updated to reflect amendments to the Discretionary Financial Assistance Regulations which ensure the scheme covers the introduction of Universal Credit and abolition of council tax benefit from April 2013.
- 1.2 In addition to the guidance, a good practice guide is included at Appendix A which offers advice to LAs on how DHPs can be used to provide support to customers affected by some of the key welfare reforms, including:
  - introduction of benefit cap;
  - introduction of size criteria in social rented sector;
  - reductions in local housing allowance
- 1.3 To assist claimants through the transitional period of these reforms central Government funding towards DHPs has been increased from £20 million per annum up to £165 million for 2013/14, and £135 million for 2014/15.
- 1.4 This guidance also provides details on assurance and monitoring arrangements that LAs should follow regarding DHP expenditure.

## What are Discretionary Housing Payments?

- 1.5 DHPs provide customers with *further financial assistance*, in addition to any welfare benefits, when a LA considers that help with *housing costs* is required.
- 1.6 The regulations covering DHPs are The Discretionary Financial Assistance Regulations 2001 referred to in this guidance as 'the regulations.'
- 1.7 You should be aware that although the legislation gives you a very broad discretion, decisions must be made in accordance with ordinary principles about good decision making, i.e. administrative law. In particular, LAs have a duty to act fairly, reasonably and consistently.



- 1.8 Once you have met your authority's overall cash limit you cannot award any more DHPs. By cash limit we mean two and a half times your government contribution. If you award above this limit, you are breaking the law. The legislation which specifies the overall limit on expenditure is Article 7 of The Discretionary Housing Payment (Grants) Order 2001.
- 1.9 You should also be aware that the amount of money you have left from your government contribution must not be a factor in your decision making. Each case must be decided on its own merits, and your decision making should be consistent throughout the year.
- 1.10 Any unspent DHP funding will have to be returned to DWP at the end of the financial year.

### **What do we mean by housing costs?**

- 1.11 Housing costs are not defined in the regulations and this gives LAs a broad discretion to interpret the term as they wish.
- 1.12 In general, housing costs means rental liability. However, housing costs can be interpreted more widely to include:
  - rent in advance
  - deposits
  - other lump sum costs associated with a housing need such as removal costs.
- 1.13 Following the abolition of council tax benefit from April 2013, DHPs can no longer be made towards council tax liability.
- 1.14 See [Deciding whether to award a DHP](#) later in this guidance for more details.

### **What do we mean by 'further financial assistance'?**

- 1.15 There is no definition of the phrase 'further financial assistance' in law. It is up to you how you interpret it.
- 1.16 The level of award may cover all or part of a shortfall in rent or assist with the cost of taking up a tenancy.
- 1.17 See [Administering DHPs](#) and [The level of a DHP](#) later in this guidance.

# Deciding whether to award a DHP

## What are the criteria for award?

- 2.0 Before you make an award you must be satisfied that the customer is entitled to:
- Housing Benefit (HB); *or*
  - Universal Credit (UC); *and*
  - has a rental liability; *and*
  - requires further financial assistance with housing costs.
- 2.1 A customer who is receiving local council tax support only, with no rental liability (e.g. an owner occupier) is not eligible to apply for a DHP.

## What types of shortfalls can DHPs cover?

- 2.2 The various types of shortfalls that a DHP can cover include:
- reductions in HB or 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 whilst the housing authority explores alternative options;
  - rent officer restrictions such as local reference rent or shared room rate;
  - non-dependant deductions;
  - income tapers.

## Rent deposits and rent in advance

- 2.3 You can award DHPs for a rent deposit or rent in advance scheme for a property that the customer is yet to move into if they are already entitled to HB or UC at their present home. When awarding DHPs for a rent deposit or rent in advance, you may wish to satisfy yourself that the property is affordable for the tenant.
- 2.4 Using DHPs for this purpose may be particularly appropriate to help existing customers move to alternative accommodation where their award of HB has been restricted following one of the welfare reforms. It may also be appropriate to consider using DHPs for this purpose where your LA rent deposit scheme is limited or exhausted.

- 2.5 The regulations are wide enough to permit this on the basis of a customer's entitlement to one of the eligible benefits at their current home. The regulations do not stipulate that the housing costs to which the DHP relates have to be housing costs relating to the property for which benefit has been awarded.
- 2.6 Although Regulation 4 of the 2001 regulations places a limit on the DHP award so that it does not exceed the weekly eligible rent on the customer's home, the limit only applies where the award is calculated as a weekly sum, for example, to meet a shortfall.
- 2.7 In a case where you are awarding a DHP for rent in advance or a deposit, **the weekly limit does not apply** as you are awarding a lump sum to meet an immediate housing need. See [The level of a DHP](#) later in this section.
- 2.8 When awarding a DHP for a deposit, you may wish to include information about landlords' legal obligations to protect any deposit paid in a Government approved tenancy deposit protection scheme. Compliance with this requirement will help reduce the need for future help with deposits. Further information can be found by following this link:  
  
[Deposit protection schemes for private tenants](#)
- 2.9 When making a DHP to assist the customer with securing a new tenancy you might want to consider making the payment to the landlord rather than the customer.
- 2.10 As a lump sum payment for rent in advance is not made in respect of a period, you do not have to be satisfied that the customer is entitled to HB other than at the point you make the award.
- 2.11 If the rent in advance is for a property outside of your area this does not prevent you from making a payment if the customer is currently in receipt of HB or UC in your area.
- 2.12 Before awarding a DHP for rent in advance or a deposit you may wish to establish with the customer whether they:
- are due to have a deposit or rent in advance in respect of their existing tenancy returned to them
  - have received assistance from the LA through a rent deposit guarantee scheme or similar
- 2.13 Once a DHP has been made to the customer for rent in advance or a deposit and used for that purpose legislation does not provide for it to be refunded.

## DHPs and two homes

2.14. The regulations do not prevent you from awarding DHPs on two homes when someone is treated as temporarily absent from their main home, for example because of domestic violence.

2.15 In this case, if the customer is treated as liable for rent on both properties, and in both cases there is a shortfall, they could have DHPs in respect of both properties subject to the weekly limit on each property.

See [The level of a DHP later in this section.](#)

2.16 The regulations do not say that DHPs can only be paid in respect of one property; they just limit the weekly amount that can be paid when the DHP does relate to rent on a person's home.

2.17 If the customer is only treated as liable for payments on one dwelling but is having to pay rent on two, for example they are temporarily absent from their normal dwelling to stay near a child receiving treatment in hospital, a weekly DHP could be made to assist with the temporary accommodation up to the level of the weekly eligible rent on the dwelling from which they are temporarily absent. See [The level of a DHP](#) later in this section.

## What DHPs cannot cover

2.18 There are certain elements of a customer's rent that cannot be included in housing costs for the purposes of a DHP because the regulations exclude them.

2.19 Excluded elements are:

- ineligible service charges
- increases in rent due to outstanding rent arrears
- certain sanctions and reductions in benefit.

See [Appendix B](#) for more details

## The level of a DHP

2.20 If the purpose of the DHP is to meet a shortfall it is entirely up to you how much of a shortfall that you decide to meet.

2.21 However, in the case of a shortfall the level of DHP must not exceed the weekly eligible rent on the home.

- 2.22 Eligible rent means all the payments specified in Regulation 12(1) of the Housing Benefit Regulations 2006 or the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 except those specified in Regulation 12(3)(b)(i) to (iii) of those regulations, i.e. deductions in respect of certain specified service charges.
- 2.23 Following the introduction of UC, LAs will have to consider claims from customers who are not receiving HB. Customers receiving UC will not receive a specific amount towards housing costs therefore you can decide on the amount of DHP to award, providing it does not exceed the weekly eligible rent.
- 2.24 For lump sum payments such as deposits or rent in advance this limit does not apply but you will need to have regard to your overall DHP budget.

## **Payment cycles**

- 2.25 It is for you to decide the frequency of payments. Payments to meet shortfalls could be made at the same frequency as the HB or UC payment.

# Claiming a DHP

## The claims process

- 3.0 The regulations require that there must be a claim for DHPs before the LA can consider making an award.
- 3.1 However, that does not necessarily mean that there has to be a written claim form. How you choose to operate the claims process is up to you. If you decide not to use a written claim form you may decide to accept claims by another means, for example by telephone, or electronically.
- 3.2 Although you can decide what constitutes a claim in each case, there must be something in each instance which triggers the claim. This could be something as simple as a telephone call asking the customer if they wish to claim a DHP. You should also bear in mind that LAs have a duty to act consistently.

## Who can claim DHPs

- 3.3 In most cases, the person who claims a DHP will be the person entitled to HB or UC.
- 3.4 However, you may also accept claims from someone acting on behalf of the person concerned, such as an appointee or advocate if the person is vulnerable and requires support.

## Who you can pay

- 3.5 DHPs may be paid to someone other than the customer if you consider it reasonable to do so.
- 3.6 That could be an agent, an appointee or a landlord. In the case of a person entitled to rent rebate, DHPs can be credited to the rent rebate account.

## Information a customer must give

- 3.7 When someone claims for a DHP, they must give you:
  - information you require to make a decision or look at a decision again
  - any other information you may require in connection with their claim.

- 3.8 In establishing if the customer requires further financial assistance, you decide how to treat any income or expenditure for the purposes of deciding whether to award a DHP.
- 3.9 For example, you may, or may not, decide to disregard income from disability related benefits as they are intended to be used to help pay for the extra costs of disability. However, you may want to bear in mind that such money might be committed to other liabilities for which the money was intended, such as Motability schemes, provision of care etc.
- 3.10 You can also take account of unavoidable costs that the customer may have such as fares to work. This may include, for example, people who have had to move as a result of welfare reforms such as increasing the age threshold for the shared accommodation rate or introduction of the benefit cap.
- 3.11 You will need to decide locally how you treat income and expenses when calculating the amount of the DHP. However, you should consider what is reasonable when assessing expenses.
- 3.12 If a customer is receiving HB, you will already hold relevant details regarding a person's income and rental liability, which can be used to assess a claim for DHPs.
- 3.13 If a customer is in receipt of UC, you will not necessarily hold details of the customer's income or rental liability. However, data sharing powers introduced on 2 July 2012 provide a gateway for LAs to obtain relevant information from DWP to assess claims for DHPs.

## **Telling the customer of the decision**

- 3.14 If someone claims a DHP, you must tell that person of the DHP decision in writing and with reasons, as soon as is reasonably practicable. You must be consistent and avoid unnecessary delay.
- 3.15 When issuing a decision you may also want to provide information about the process for reviewing the decision that you have in place. As DHPs are discretionary arrangements, there are no appeal rights to a Social Security Tribunal, although the route of Judicial Review is available, see [Dispute procedures](#) later in this guidance.
- 3.16 You should also clearly distinguish the dispute/appeal rights that apply to HB and UC. It is important that customers are not inadvertently led to believe that such appeal rights also apply to DHPs.
- 3.17 There is no legal requirement to notify landlords of a DHP decision, but you may wish to do so. However, you should be careful not to breach any obligations of confidentiality owed to the claimant, including:

- under Article 8 of the European Convention on Human Rights (ECHR) (right to respect for private and family life); and
- data protection law.

3.18 If you are already paying HB to the landlord and later award a DHP you may wish to advise that the DHP is also being paid directly to them. This may equally apply where a person is getting UC and some element of that is being paid to the landlord in respect of housing costs.

### **Backdating a DHP**

3.19 You should look at each claim on its own merits when deciding whether or not to backdate a DHP. There are no rules on backdating but you do have a duty to act consistently.

3.20 We amended the regulations from 7 April 2008 to make it clear that a DHP can only be considered for a period where the linked HB is payable. This is of particular relevance to requests for a period of backdated DHP.

3.21 Additionally a DHP cannot be awarded in respect of a period before 2 July 2001.

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# Administering DHPs

## Who can accept claims?

- 4.0. Only LAs can accept claims for DHPs but this can include any department within the local authority, including departments dealing with claims for local council tax support.
- 4.1 As DHPs are not payments of HB, provisions which allow Jobcentre Plus or Pension Service offices to accept claims in certain circumstances do not apply.

## Who can administer DHPs?

- 4.2 Who administers DHPs is entirely up to you. Your authority has the choice as to who, or which department, within your LA will administer, determine and award DHPs.

## When can a DHP application be made?

- 4.3 There are no rules on when a person can claim a DHP, although a payment can only be considered for a period where there is a linked entitlement to HB or UC.
- 4.4 Where changes are anticipated, such as the introduction of size criteria in the social rented sector or introduction of the benefit cap, you may decide it is helpful to allow applications for DHPs from claimants in advance.
- 4.5 This may help you to manage the application process and avoid any potential surge in demand, as well as alleviate uncertainty for some claimants. You may then decide to inform the claimant of an award that could start at a future date, subject to any subsequent change in circumstances.

## Method of payment

- 4.6 DHPs may be delivered via HB payment systems and may also be paid on HB instruments of payment. However the authority must be able to differentiate, in any given case, between HB and DHPs, i.e. there must be a clear audit trail.
- 4.7 If a DHP is paid with HB, notifications to the customer must clearly show how much is HB and how much is the DHP.

## **Contracting out**

- 4.8 A contractor can carry out all functions relating to the administration of DHPs. This includes making decisions on whether or not to award a DHP.

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## Claim maintenance

### Length of award

- 5.0 The length of time over which you can pay an award is up to you.
- 5.1 It may be appropriate for you to make a short term award to give a customer time to sort out their financial circumstances or housing circumstances, particularly if they are trying to find alternative accommodation.
- 5.2 Alternatively, you may wish to make an indefinite award until the customers circumstances change. The start and end dates of an award are up to you.
- 5.3 For example, if you were to award a DHP to a customer who lives in significantly adapted accommodation in the social rented sector but who is subject to a reduction for under-occupancy, you might consider the DHP on a longer-term basis, including an indefinite award subject to a relevant change in their circumstances.
- 5.4 When there is a specific end date, you should make it clear to the customer what the period of the award is.
- 5.5 The purpose of the award may be to meet a one off housing need such as a deposit or rent in advance. In this instance there is no requirement to specify the period of the award.

### Change of circumstances

- 5.6 A customer receiving DHPs is required to notify you of any changes of circumstances which may be relevant to their continuing to get DHPs.
- 5.7 You need to make sure the recipient is aware of the changes they should report. There is no statutory timescale for notification; it is for you to decide. It is also for you to decide the means by which such changes are notified.
- 5.8 Many changes of circumstances that customers have a duty to report for HB or UC purposes may also be relevant to their continuing to get DHPs. You may use such information to review the level of the DHP.

### When you can stop paying a DHP

- 5.9 There are instances other than a change of circumstances when DHPs can be stopped.

5.10 You can stop making any further DHPs:

- if you decide that DHPs are being, and/or have been made because someone has misrepresented or failed to disclose a material fact, fraudulently or otherwise; and/or
- when they have been paid as a result of an error.

## **Overpaid DHPs**

5.11 You can recover DHPs if you decide that payment has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise. You may also recover DHPs if you decide they have been paid as a result of an error made when the claim was determined.

5.12 You may not recover DHPs from ongoing HB or UC. This is unlike HB overpayments where there is a regulatory provision to allow recovery from ongoing HB.

5.13 There is also no provision for recovery of overpaid DHPs from other prescribed benefits.

5.14 Therefore the only method of recovery if a DHP is overpaid is to request repayment of the debt from the claimant. This may be in the form of an invoice or however you choose to do so, for example using debt collection agencies or via the courts.

# Dispute procedures

## Introduction

- 6.0 The LA can review a DHP decision in the event of disputes.
- 6.1 However, decisions on DHPs cannot be appealed to a Social Security Tribunal as they are not empowered to deal with them. The route of judicial review is available, and the local government ombudsman if there is an allegation of maladministration.
- 6.2 There is flexibility as to how you apply any dispute process. You may look at a decision again in the light of representations made by the customer (in whatever form you decide) or whenever you consider it appropriate for whatever reason.
- 6.3 You may also review a DHP decision in the event of a dispute either at the time of the initial rejection or subsequent to a cancellation or recovery. We do not set out circumstances in any more detail. However, you do need to be consistent.

## Reviewing the decision

- 6.4 You may also decide who in the authority may look at a decision again.
- 6.5 To minimise the risk of legal challenge you are advised to ensure that the review is carried out by someone other than the person who made the original decision.

## Notifying the customer

- 6.6 Notify the customer of a review outcome in writing with reasons as soon as is reasonably practical.

## Assurance arrangements

### DHP Claim form

- 7.0 The Discretionary Housing Payments (Grants) Order 2001 requires LAs to submit a DHP claim form providing details of DHP expenditure. This request occurs twice a year – 1 September and 30 April. LAs are requested to complete and return the form to DWP accounting services.
- 7.1 The claim form must be signed by the Responsible Finance Officer within the LA (pursuant to S.151 of the Local Government Act 1972 or S.95 of the Local Government (Scotland) Act 1973 as appropriate). Due to the increase in DHP funding highlighted in the table below, and following discussions with the National Audit Office, the Department has strengthened its assurance arrangements by including a few more requirements in the local authority certificate to be signed off.
- 7.2 In addition to providing details of DHP expenditure, the Responsible Finance Officer must certify that all entries on the claim form are accurate and expenditure has been made in accordance with this guidance and the regulations governing DHPs.

### DHP funding from 2013/14

- 7.3 The baseline funding towards DHPs is £20 million per year. Following recent welfare reforms, the funding has been increased to reflect the increased demand for DHPs. The table below illustrates the current funding position:

	2012/13	2013/14	2014/15
Baseline Funding	£20m	£20m	£20m
LHA reforms	£40m	£40m	£40m
Social Size Criteria		£30m	£30m
Benefit Cap		(up to) £75m	(up to) £45m
<b>Total:</b>	<b>£60m</b>	<b>£165m</b>	<b>£135m</b>

- 7.4 Although local authorities have a large degree of discretion, you should be aware of the purpose of the increased funding when considering applications for DHPs.

- 7.5 The allocation of the increased funding has been agreed following consultation with local authority associations and the distribution formula is intended, as far as possible, to target resources according to need within your local authority.

## Monitoring Arrangements

- 7.6 As a result of the increased funding DWP are required to monitor how DHPs are being used to support customers affected by the welfare reforms. In addition to the annual DHP claim form, LAs will be requested to provide a broad breakdown of their expenditure.
- 7.7 Following a successful application for DHPs, you should record the main reason for the award, as detailed below:
- i) to support customer affected by benefit cap
  - ii) to support customer affected by social sector size criteria
  - iii) to support customer affected by LHA reforms
  - iv) any other reason (covers original £20m funding)

The four main reasons reflect the intent of the increased funding.

- 7.8 When considering DHPs, you have the discretion to decide on the **main** reason for making a payment. It is important that you keep records of each decision which supports payments made. We would expect your decisions to be consistent.

### Example

Mr and Mrs Smith rent a property which costs £350.00 per week. They have 2 children and are entitled to the local housing allowance for 3 bedrooms, restricting their maximum HB to £340.00 per week.

Their total income including HB is £573.22 per week. They are not exempt from the benefit cap; therefore the award of HB is reduced by £73.22 per week. This reduces their total weekly welfare benefits to £500.00 per week.

Their maximum HB is reduced by both restrictions to LHA and by the introduction of the benefit cap. Following an application for DHPs, you decide to award £50.00 per week to help meet the shortfall between HB and their rental liability.

When recording the main reason for the award, you should take into consideration where the greatest shortfall occurs. In this example, it would be appropriate to record the main reason for the award to help support a customer affected by the benefit cap.

- 7.9 The breakdown of expenditure will be gathered using a return form that will be issued to LAs as part of a 'S' circular. The summary of the four DHP categories supplied should be consistent with the total figure in the DHP claim form submitted. These monitoring returns will be required twice a year. The Department will issue a circular highlighting the deadlines for submission. These dates are 1 Sept and 30 April each year.

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**Appendix A:  
Good Practice Guide**

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## Section 1: Support for customers affected by the benefit cap

### Background to the benefit cap

- 1.0 From April 2013, the total award of household benefit payments for working-age claimants will be capped. For the purposes of applying the benefit cap we define a household as a claimant, their partner and any children they are responsible for and who live with them.
- 1.1 Initially the cap will be applied by LAs through HB payments. When a household's total benefit entitlement exceeds the cap the LA will reduce the level of HB by the excess amount.
- 1.2 A de minimus amount of £0.50 will be paid when the reduction of the excess would otherwise remove all payments of HB. From October 2013 the cap will be applied through UC, starting with all new claims for UC including those migrated from existing benefits.
- 1.3 Total entitlement to benefit payments will be capped at £500 per week for couples and lone parent households. The level of entitlement for single adults will be capped at £350 per week.
- 1.4 For those claiming UC the cap will be applied for the assessment period, which will be monthly. The direct monthly equivalent limits are £2167 for couple and lone parent households and £1517 for single households.
- 1.5 There are some exemptions from the cap among benefit recipients. The benefit cap is intended to increase work incentives, therefore we will exempt households that are considered to be "in-work." Claimants in receipt of HB will be considered in-work and be exempt from the benefit cap if they are entitled to Working Tax Credit.
- 1.6 Claimants on UC will be considered to be in-work if they earn more than the prescribed earnings threshold.
- 1.7 We will also exempt households where someone is in receipt of:
  - Attendance Allowance;
  - Industrial Injuries Benefit (and equivalent payments made as part of a War Disablement Pension or the Armed Forces Compensation Scheme);
  - Employment and Support Allowance with a support component. For those on UC this will be limited capability for work and work-related activity;
  - Disability Living Allowance or its replacement Personal Independence Payment;

- Where a person is not receiving Disability Living Allowance, Attendance Allowance or a War Disablement Pension because they are in hospital or a care home, the exceptions will continue to apply
  - War widows and widowers will also be exempt.
- 1.8 From the benefit cap's introduction in April 2013 there will be a grace period of 39 weeks for those claimants who have been in work for the previous 12 months and find that their circumstances have changed because their job has ended. This will allow people time to find alternative employment or consider other options to avoid the impacts of the cap.
- 1.9 The grace period will apply equally to those whose job finishes before or after the introduction of the cap. For example, in the case of somebody who finishes work in February 2013, which is prior to the cap's introduction in April 2013, the cap would not apply until 39 weeks later in November 2013.

## **Support for those subject to the benefit cap**

- 1.10 The Government is providing additional funding of up to £75 million in 2013/14 and up to a further £45 million in 2014/15 for Discretionary Housing Payments for this purpose.
- 1.11 This additional funding is intended to give 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 manage families move into more appropriate accommodation.
- 1.12 It is specifically aimed at a number of groups who are likely to be particularly affected by the benefit cap. These include (but are not limited to):
- Those 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.
- 1.13 There will be a number of ways that claimants affected by the cap may react to having their HB reduced by the benefit cap. The intention is that the majority will move into work and so become exempt from the cap. Some may choose to move whilst others may consider other means by which they might be able to meet any short fall such as trying to negotiate a reduction in their rent or meeting the shortfall from other income or capital.

- 1.14 Those who are affected by the cap will have access to and receive support from Jobcentre Plus and the Work Programme to help them find work. People in receipt of working tax credit will be exempt from the cap.
- 1.15 DHPs can make an important contribution to managing the transition for various customers whilst they make the necessary changes to adapt to the application of the benefit cap. The allocation of this funding reflects the varying impact of this measure on different LA areas.
- 1.16 The following examples show how DHPs can be used to assist those affected by the benefit cap.

**Example**

Mr and Mrs Smith rent a 3 bedroom property at £340.00 per week. They have two children and receive the following benefits:

Jobseekers Allowance:	£111.45
Child Tax Credit:	£88.07
Child benefit:	£33.70
Housing Benefit:	£340.00
<b>Total welfare benefits:</b>	<b>£573.22</b>

The benefit cap for Mr and Mrs Smith is £500.00 per week; therefore, their award of housing benefit is reduced to £266.78 per week (reduction of £73.22).

Mr Smith has been unemployed for one year and has found it difficult to find employment in his usual vocation; he is currently attending his local Work Programme provider for support to find work.

In addition, Mr and Mrs Smiths oldest child is 15 years old and in the process of completing her GCSE's at school. Mr and Mrs Smith have found a cheaper property that would take them below the benefit cap in another area but it would mean their oldest child would have to move schools. They believe this would have a negative impact on their child's education.

You may decide to award a weekly DHP of up to £73.22 until Mr or Mrs Smith move into work or their eldest child completes her GCSE's.

**Example**

Ms Blythe has two children with her partner and is receiving HB at her permanent property. At present the benefit cap does not apply.

Ms Blythe moves into a refuge with her children to flee her partner who was physically violent towards her. The refuge offers support to those who are affected by Domestic Violence. Ms Blythe is now receiving HB for two properties - the home she is fleeing and the refuge she is staying in.

Although her Jobseekers Allowance payments have reduced as she is now a lone parent, the amounts of HB for the two properties she now receives means the benefit cap will apply to her.

You may decide to award a DHPs until Ms Blythe is able to adapt her circumstances so she no longer has the benefit cap applied.

**Example**

Mr and Mrs Collins have recently become kinship carers for their three grandchildren after the children's parents were no longer able to take care of them. The Local Authority has re-housed the family from their 1 bedroom flat to a 3 bedroom property

Due to the increase in the benefits the household receive, the benefit cap will now be applied to the household.

Mr and Mrs Collins don't believe it would be appropriate to move into employment straight away as the children need time to adapt to their new circumstances.

You may decide to award a DHP until Mr and Mrs Collins are able to move into employment or adapt their circumstances so they no longer have the benefit cap applied.

**Example**

Mr Benn is Universal Credit for himself, his partner and four children. Mr Benn is currently appealing the decision that he doesn't have limited capability for work and work-related activity.

As no one in the household meets the criteria for an exemption the benefit cap will be applied.

Mr Benn does not want to adapt his circumstances to avoid the benefit cap until he is notified of the decision from his appeal. You may decide to award a DHP until Mr Benn's appeal is heard and decided.

## Section 2: Support for customers affected by the size criteria

### Background to size criteria in the social rented sector

- 2.0 From April 2013 working-age claimants living in the social rented sector may face a reduction to their eligible rent if they are under-occupying their property. The level of under-occupation is determined by the LHA size criteria (the Shared Accommodation Rate is not applicable, however).
- 2.1 The rates of reduction to the eligible rent for those affected by this measure are:
- 14% where there is under-occupation by 1 bedroom; and
  - 25% where there is under-occupation by 2 or more bedrooms.
- 2.2 We expect that most claimants affected by this measure will find ways of making up the shortfall themselves, in order to remain in their existing home.
- 2.3 We would encourage all LAs to consider how best to communicate the change to those potentially affected before the measure comes into force. Further advice about implementing this change is available via the DWP website: [Adjudication and Operations Circular A4/2012](#). This includes a toolkit to help LAs and other landlords prepare for the changes including how to identify and help those potentially affected consider the full range of options that may be available to them.

### Support for those subject to the size criteria measure

- 2.4 The Government has provided an additional £30 million to the DHP budget from 2013/14 in support of this particular measure. This additional resource is intended for those affected by this measure who are unlikely to be able to meet the shortfall and for whom moving to a smaller property may be inappropriate.
- 2.5 It is aimed specifically at two groups - disabled people living in significantly adapted accommodation – including any adaptations made for disabled children; and foster carers, whose housing benefit is reduced because of a bedroom being used by, or kept free for, foster children. The expectation is that this money will be prioritised for these groups.
- 2.6 For claimants living in specially adapted accommodation, it will sometimes be more cost-effective to enable tenants to live in their current accommodation rather than moving them into smaller accommodation which then needs to be adapted.

- 2.7 The Government acknowledges the important work that foster carers do and wants to ensure that they are able to live in property which is of a suitable size to enable them to continue in a fostering role.
- 2.8 The allocation of this additional funding has been done in such a way so as to broadly reflect the impact of this measure.

**Example**

Mr and Mrs Thom rent a four bedroom house from a registered housing provider. They have two children, a girl of 7 and a boy of 5. They receive Housing Benefit to cover the full rent of £90 per week.

Under the new size limit rules they are considered to be under-occupying the house by two bedrooms as the children would be expected to share a room because they are both under ten years old. As they are under-occupying by two bedrooms a 25% reduction of £22.50 would be applied to the eligible rent meaning they would now receive Housing Benefit of £67.50 per week.

Mrs Thom is in a wheelchair and significant adaptations have been made to the property to make it more accessible. If the family moved to a different property that property would then need to be adapted at considerable expense. You may therefore decide to award a DHP of £22.50 per week to enable the family to remain in their current adapted house.

**Example**

Mr and Mrs Chande live in a three bedroom house. They have one daughter of 16 studying for her GCSEs. They are also registered foster carers who regularly have children placed with them for short periods of time.

The size limit rules do not take account of foster children in the calculation of how many bedrooms a household requires. The Chandes would therefore be considered to be under-occupying their house by one room only requiring two rooms, one for themselves and one for their daughter.

The Chandes' rent is £85 plus £10 service charges, £95 all together. £2.50 of the service charges is ineligible so their eligible rent is £92.50. Once the new size limit rules are applied a 14% reduction of £12.95 will be applied to their eligible rent meaning they will receive Housing Benefit of £79.55.

They are having difficulty meeting the shortfall, particularly when between placements and you may wish to award a DHP of £12.95 a week to enable the Chandes to keep their extra bedroom and therefore keep fostering.



## Section 3: Support for customers affected by LHA restrictions

### Background to the changes to LHA rates

- 3.0 Since April 2011, the calculation of LHA rates has been revised and these changes are likely to result in an increase in demand for DHPs, particularly as any protection measures come to an end. The changes are as follows:
- the five bedroom LHA has been removed so that the maximum rate is for a four bedroom property;
  - absolute caps for each property size have been introduced as follows:
    - £250 for a one bedroom property
    - £290 for a two bedroom property
    - £340 for a three bedroom property
    - £400 for a four bedroom property
  - LHA rates are now set at the 30<sup>th</sup> percentile rather than the median.
- 3.1 Customers in receipt of HB on 31 March 2011 were not affected by these changes straight away. The new rates will normally apply from the anniversary of their claim but they could have up to a further nine months' protection from a reduction in their LHA rate.
- 3.2 Although the period of transitional protection may have provided existing customers with time to look for alternative accommodation, once their LHA rate reduces, some customers may still require assistance beyond the period of protection.
- 3.3 In addition to these changes, from **April 2013**, LHA rates will be uprated annually in line with the Consumer Price Index inflation (CPI), instead of being set every month in line with market rents (Retail Price Index – (RPI)).
- 3.4.1 As part of the preparation for this measure, LHA rates will be frozen at the April 2012 rates until the first uprating takes place in April 2013. The precise impact of this measure depends on the choice of accommodation made by LHA recipients and whether landlords decide to restrict their rent increases in line with LHA rates, but it could mean some customers have a greater shortfall between their LHA and their rent.



## Support for those subject to LHA restrictions

- 3.5 The Government has provided an additional £40 million to the DHP budget for 2013/14, aimed at enabling local authorities to provide additional support to claimants who have been impacted by the changes to LHA.

### Example

Harry has to move from his bed-sit in central London as his housing benefit no longer meets his rent. His only income is from a part-time job with his net pay amounting to £100 per week.

With the assistance of his local authority he finds a bed-sit in another borough within the LHA rate with a rent of £101 per week. He now has bus fares of £20 per week instead of being able to walk to work. This leaves him struggling to pay his rent and meet his day- to-day living expenses.

He discusses his problems with the Citizen's Advice Bureau and they suggest he claims a DHP. One of the LA's objectives is to use DHPs to help people maintain their employment and it will consider disregarding fares to work in deciding on the amount of a DHP.

The LA awards a DHP of £13 which is the difference between his HB award and what the award would be if the fares to work were included in the disregard.

		Actual HB calculation	Hypothetical HB calculation	DHP award
A	Eligible rent	£101.00	£101.00	
B	Personal Allowance	£67.50	£67.50	
C	Less net earnings	£95.00 (£5 disregard)	£75.00 (£5 disregard plus £20.00 bus fares)	
D	Difference	£27.50	£7.50	
E	Apply 65% taper	£17.78	£4.88	
F	HB award	£83.22	£96.12	£13.00

## Section 4: Managing the DHP scheme

### Overview

- 4.0 The following good practice examples are to help you to decide whether or not to award a DHP. But first and foremost you should be aware that this is a discretionary scheme. Therefore you should consider each case on its own merits rather than on a set of rigid pre-defined criteria.
- 4.1 A policy that is too rigid will effectively prevent you from exercising your discretion properly in individual cases. This could make some of your decisions vulnerable to challenge by judicial review.
- 4.2 However, this does not mean that you must not develop a policy at all; it simply means that your policy must be flexible and allow for deviation for unusual cases, however rare.
- 4.3 The examples are simply ideas as to what you may wish to think about when considering a DHP. You should bear in mind that in some cases, there may be a good reason for doing things differently.

### Objectives for award

- 4.4 Some authorities have certain objectives in mind when considering whether to make an award of DHP. These include:
- alleviating poverty
  - encouraging and sustaining people in employment
  - tenancy sustainment and homelessness prevention
  - safeguarding residents in their own homes
  - helping those who are trying to help themselves
  - keeping families together
  - supporting domestic violence victims who are trying to move to a place of safety
  - supporting the vulnerable or the elderly in the local community
  - helping customers through personal and difficult events
  - supporting young people in the transition to adult life, or
  - promoting good educational outcomes for children and young people

## Publicising DHPs

- 4.5 It is important to publicise the existence of the DHP arrangements as they are a key element of the Government's strategy for managing reductions to HB or UC arising from welfare reform.
- 4.6 In order to raise awareness of DHPs you may wish to consider various methods of communication such as
- including information on all HB decision notices where there is a shortfall;
  - leaflets and posters;
  - giving advice on DHPs when people come to the LA to discuss a claim;
  - proactively assisting vulnerable customers to make applications by, for example, visiting them in their own homes;
  - informing external and internal bodies that give advice (money advice, welfare rights, homelessness, housing etc.) to customers, of the existence of DHPs;
  - developing and establishing links to ensure awareness of the scheme among staff working in housing options, homelessness and adult and children's services (children's services should also be advised to inform the fostering agencies with whom they contract);
  - including DHP advice as part of your general welfare advice services;
  - making landlords aware of the scheme (private landlords, housing associations and Registered Providers);
  - establishing links with social housing tenants and residents organisations to ask them to help raise awareness of the scheme;
  - raising awareness by having information of the scheme available at tenants and residents forums;
  - information on your LA website or arranging to include information on partner housing association websites;
  - information on Choice Based Lettings scheme websites;
  - information within literature or communications relevant to housing allocations policies or placements;
  - raise awareness through interviews with local radio, including stations targeting different ethnic groups; or
  - targeted communications aimed at those likely to be affected by telephone, text message or other social media such as Twitter.

## Administration of DHPs

- 4.7 It is entirely up to you how you administer the DHP arrangements but you may wish to consider the following suggestions:
- would using the same payment cycles as the customer's HB make the system easier to operate?

- a second member of staff could check the decision to ensure consistency;
- some LAs find a partnership approach between HB departments and other housing departments such as Housing Options, Housing Strategy, Private Rented Sector Access Schemes highly effective in making best use of DHPs;
- you could set up a system, for example a spreadsheet, to ensure awards are reviewed and monitored;
- you may wish to visit customers in their own home as it helps to confirm their circumstances and establish what further help or advice they require;
- when a change of circumstances means that an award of HB or UC is reviewed, you could review the DHP award at the same time, as the change of circumstances may mean that the criteria for DHP are no longer met;
- you could identify at the time of the first award whether a second award might be necessary, and issue a review form prior to the end of the award asking what action has been taken during the period of the award;
- paying DHPs from the date on the application form would make things more transparent for both LAs and customers, though backdating and paying in advance is allowable;
- customers normally have to arrange their finances quickly and so you could ensure that decisions on DHP claims are made within four weeks;
- linking DHP claims with a benefit maximisation application;
- incorporating a review mechanism for longer term claims.

### **Notifying decisions on DHPs**

- 4.8 Customers will need clear information about the decision on their DHP claim. You can include information about the DHP decision on the HB notification form (but you should make it clear that DHPs are not HB and you should specify the amount of the DHP).
- 4.9 Where you have made a decision on the award customers will need the following information:
- the reasons for an award decision (be it positive or negative), the start and end dates of the award – and the reason for those dates;
  - their dispute rights (if you have a disputes procedure);
  - information on who to contact if they need further help or advice.

## Disputes procedures

4.10 It is good practice to have a disputes procedure. This could also help to reduce the probability of a legal challenge. Examples of good practice are:

- involve an officer other than the one who made the original decision;
- the decision letter should clearly state the reasons for a negative decision;
- customers know who they can complain to in the first instance;
- customers are given some idea how long the process will take;
- if they disagree with the first decision they should know where they may go next.

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## Section 5: Further examples of good practice

5.0 The following are examples of good practice (in the form of questions you may wish to consider or facts that you may wish to take into account) that you may find helpful when considering a DHP award. What questions you decide to ask and how you form a decision based on the responses to such questions is up to you. Each case should be treated individually.

### Prevention of homelessness

5.1 Homelessness can have a negative impact for the household concerned in terms of health, education and employment prospects. Also, temporary accommodation used to house the homeless can be expensive. Therefore, early intervention to prevent homelessness should be a key issue for LAs. You may wish to consider how DHPs could help.

- a DHP would prevent the household from being evicted and thus becoming homeless;
- an award of DHP would be central to the person being able to access or maintain employment, education or training and so they are thus less likely to become homeless;
- paying DHPs to households, who have previously been homeless, would help to increase the long-term sustainability of their accommodation;
- you could work with homelessness organisations, and those operating rent deposit schemes, as well as your council's homeless section to prevent loss of tenancy.

### The tenancy

5.2 You could consider the following issues concerning the tenancy.

- is there scope for the landlord to reduce the rent?
- can your housing options or homelessness prevention team help the customer to negotiate a lower rent if the customer feels unable to attempt to do so themselves?
- does the customer have a fixed term tenancy and if so when does this end?
- can the tenant leave the tenancy without incurring a financial penalty?
- could the tenant afford the tenancy before they took it on?
- could a DHP enable the accommodation to become affordable in the interim, allowing the tenant time to find alternative accommodation?

## **The household's financial circumstances**

5.3 Although there are no rules on the financial issues to be taken into account when considering the award of DHPs, you may wish to think about the following.

- Does the customer have other debts to pay?
- Have they sought advice on how to clear their debts?
- Can the customer re-negotiate non-priority debts, such as credit card agreements?
- Is the customer entitled to other welfare benefits and not claiming them?
- Do they have any capital or disregarded income that they could use to make up the shortfall (bearing in mind its intended purpose)?
- Is there anyone else willing to make up the shortfall?
- Can the customer change their spending pattern on non-essential items?
- Is the customer taking long-term action to help their problems in meeting their housing costs?
- Could the customer afford the rent when they moved in?
- Can the customer increase his hours or do any overtime?
- Is the customer in work but with high travel costs, because of split shifts for example?

## **The household's medical circumstances**

5.4 You may wish to consider whether the following apply.

- Does the household have health or support needs which require them to remain in a particular property?
- Does the household have a health problem which means that the choice of housing is restricted either temporarily or permanently?
- Does the customer require an extra room because of a health problem that affects them or a member of their household?
- Does the household have to live where they do because of the need for access to medical or support services – for example a particular hospital?
- Does the household have extra health-related expenses, such as the need for therapeutic classes or non-prescription medicine?

## Other circumstances

5.5 There may be other circumstances applying to the customer or a member of their household which you think need to be taken into account:

- Is the customer fleeing domestic violence so they do not have time to shop around for a reasonably priced property?
- Does the household have to live in a particular area because the community gives them support or helps them contribute to the district?
- Is the customer expecting a child and had her HB restricted to that of smaller accommodation until the child is born?
- Is the customer a single person living in an area where there is a shortage of shared accommodation?
- Is the customer a care leaver who has a reduction in their LHA rate after becoming 22 years old?
- Is there is a particular reason that the customer chose to live in this accommodation?
- Is the property the cheapest available in the area for the household's needs?
- Does living in the area mean a better chance of employment?
- Would it be helpful to pay DHPs when a training scheme is almost, but not yet complete?
- Would it be helpful to pay DHP where the household contains children at a critical point in their education?
- Is someone in the household undertaking care duties for relatives in the neighbourhood?
- You could consider paying the DHP to those returning to the workplace as an encouragement for others to do the same.

## Likely duration of award

5.6 The length of time over which an award of DHPs can be paid is up to you, but you may find it helpful to consider the following:

- Is any need likely to be short-term?
- Is the customer likely to require assistance in meeting their housing costs for as long as they remain in the property?
- You could consider paying DHPs until the earliest opportunity that cheaper accommodation could reasonably be sought.
- You could consider paying DHPs until a particular milestone, such as the end of training, first possible break clause in a tenancy, and so on.



## Backdating of DHPs

5.7 When backdating an award you may wish to consider:

- the customer's age and health
- personal circumstances
- make-up of household
- the local housing market

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## Section 6: Profiling your budget and managing transition

### Profiling your DHP budget

- 6.0 As the DHP scheme has been in place for some years you are likely to have built up expertise and local knowledge enabling you to profile your DHP budget to meet demand over the course of the year.
- 6.1 Following welfare reform changes you may be able to use information you already hold to predict when demand is going to increase and the likely scale of the shortfalls.
- 6.2 It may be helpful to gather and analyse information you hold on your benefit systems to help you profile your DHP budget.
- 6.3 You may need to work with partner housing associations or Registered Providers as well as the department responsible for the local authority's own stock, to profile the impact of the introduction of size criteria in the social rented sector in your area. The department with responsibility for housing in your local authority may be able to assist with this.
- 6.4 You may want to profile your caseload to identify certain groups among those potentially affected by the changes, and establish the level of demand among those groups in relation to your scheme's objectives (see below for a list of groups you may wish to target for DHPs).
- 6.5 Although the Department has already carried out various Equality Impact Assessments in relation to HB reform, available on the DWP website, you may want to carry out a more detailed assessment for your area.
- 6.6 In considering the likely demand for DHPs, you may also want to explore what other funding is available for providing assistance in your local area where there may be some overlap with DHPs in what it can be used for, such as help with removal costs.
- 6.7 With the changes to LHA rates in 2011 you can use information you already hold to predict when demand is going to increase and the likely scale of shortfalls.
- 6.8 For example you could take account of the following.
- The distribution of anniversary dates for existing customers. Are there peaks caused by previous large scale redundancies? Will these cause a surge in demand for DHPs at the end of the transitional protection period?
  - Do you have information on the range of rents charged in the area?

- Can you identify particular types of cases such as households in properties with more than five bedrooms and possible shortfalls?
  - People who are disabled or frail or families with school age children may be less able to move, can you establish volumes of these types of cases?
  - Are you likely to use funding to pay for lump sum assistance for rent in advance and deposits?
- 6.9 You may also be able to reduce some demand by offering customers alternative support and advice in advance of considering whether a DHP is appropriate. In many cases it may be possible for tenants to stay at their existing accommodation at a reduced rent. For example, you may consider paying HB directly to the landlord if they are prepared to reduce their rent to the level of the LHA rate
- 6.10 By taking action in advance of the financial year to analyse your caseload you will have useful information that will help you profile and prioritise your budgets
- 6.11 Your DHP budget will need to be carefully monitored and managed for example keep records on:
- amounts requested against amounts awarded
  - type of accommodation
  - reason for award
  - duration of award
  - customers characteristics.

## Managing the transition

- 6.12 Have you had an authority wide discussion on your overall strategy on issues including the following:
- providing information on the changes and ensuring that claimants have adequate time to consider their options;
  - making information on DHPs more available;
  - providing housing advice and help with negotiating reductions in rents with landlords (since April 2011 you have discretion to pay HB direct to the landlord if it helps the claimant to secure or retain an existing tenancy);
  - providing housing options advice for those affected by changes to HB in the social rented sector;
  - how best the homelessness prevention, housing options teams or partner housing associations can work with the HB administration team to identify cases where a DHP may be appropriate, for example, can they:
    - help to collect evidence to inform DHP decisions;

- negotiate with the landlord to reduce the contractual rent;
- advise on length of awards if they are helping to find an alternative tenancy;
- advise on length of awards if longer-term or indefinite periods may be appropriate;
- whether assistance with rent in advance and deposits is likely to be needed or is there a local deposit guarantee scheme for people who might move;
- whether social services departments (including children's services) or other external organisations can be involved in applications from people with disabilities or foster carers, for example, to advise on their accommodation needs;
- You may find it very helpful, if you don't do so already, to work closely and strengthen links with other services in your LA to help inform decisions on DHPs. For example Adult and Children's Services when dealing with claims associated with foster carers. (It is important to keep in mind whether you would need a customer's consent to share information between services);
- whether additional resources for processing claims are needed;
- if you need to reconsider and streamline your processes; and
- whether to allow for DHP decisions to be made in advance of HB changes coming into force.

6.13 Have you considered working with neighbouring LAs if your claimants will be more likely to find accommodation outside of your own area?

For example:

- agreeing that as the exporting LA you will meet the cost of rent in advance and deposit for a property, or help with removal costs (if there is a need to do so through DHPs);
- having mechanisms in place to ensure that the new LA is aware that you have made such an award;
- discussing availability of accommodation and other services such as school places;
- involving your homelessness prevention teams, other housing advice teams or partner housing associations in these discussions;
- agreeing that the importing LA might make DHPs to help with fares to work if these are increased as a consequence of the move.

6.14 If people from neighbouring areas are likely to be moving into your LA area have you had discussions with other departments on possible increases in demand, for example, on school places or social services support?

## Considering your DHP strategy to take account of increased demand

- 6.15 Given the numbers of people affected by the changes, awarding DHPs to meet all shortfalls is not going to be a viable option. You will need to consider how best to target the funding within your priority groups, whilst remembering that each case must be considered on its own individual merits.
- 6.16 Some groups you may want to assist to stay in their home are, for example:
- families with children at a critical point in their education;
  - young people leaving local authority care;
  - foster carers, including those between placements:  
foster children are not included in the HB assessment but neither is the income from foster allowances. The Government greatly values the work done by foster carers. Whilst some carers may be able to make up the shortfall using some of their allowance, or by other means, you may want to consider supporting foster carers who are deemed to be under-occupying their accommodation because they have rooms required by foster children, or being kept available for future placements. Local authorities should bear in mind that foster carers should not be out of pocket because of their foster caring role.
  - People going through the approval process to become foster carers who may need to show that they have a spare room to be approved. If a DHP was paid on this basis it would be up to the claimant to inform the LA of any change of circumstances if, for example, they were not subsequently approved.
  - families with kinship care arrangements. Children who go into the care of family and friends are often extremely vulnerable and will usually benefit from the stability of remaining in a familiar area and continuing to attend their local school;
  - families with a child temporarily in care but who is expected to return home. What constitutes temporary will be at your discretion
  - families with a social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project;
  - people who have had to flee domestic violence or have moved because of the threat of violence in another area;
  - where someone in the household is expecting a baby (including those currently in shared accommodation or subject to an under-occupation reduction);
  - ex-homeless people being supported to settle in the community;
  - people with health or medical problems who need access to local medical services or support that might not be available elsewhere;

- people with disabilities who need, or have had, significant adaptations made to their property, or where they are living in a property particularly suited to their needs.
- where the claimant or someone in their household has a disability which requires them to have a larger property than would usually be the case for the size of their household due to, for example, a medical condition or where a child has a particular disability that might mean they are unable to share a bedroom;
- people with disabilities who receive informal care and support in their current neighbourhood from family and friends which would not be available in a new area. In this respect you may also consider families who have a child with a disability who rely heavily on local support networks
- households with disabled children who require an overnight carer;
- the elderly frail who have lived in the area for a long time and would find it difficult to establish support networks in a new area;
- people who need to live near their jobs because they work unsocial hours or split shifts; or where moving home may mean living in an area where public transport would be inadequate to enable them to sustain their current job.

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## Appendix B: What DHPs cannot cover

- 1.0 These are the elements of a person's rent, and shortfalls in benefit that cannot be met by a DHP under the legislation.
- 1.1 **Ineligible charges:** service charges that are not eligible for HB cannot be covered by a DHP. These are as specified in Schedule 1 to the Housing Benefit Regulations 2006 and Schedule 1 to the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006. Nor can DHPs cover charges for water, sewerage, and environmental services – as defined and calculated under the HB provisions.
- 1.2 **Increases in rent due to outstanding rent arrears:** Regulation 11(3) of the Housing Benefit Regulations 2006 and Regulation 11(2) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 refer. This refers to those cases where a customer's rent is increased on account of outstanding arrears which are owed by the customer in respect of their current or former property.
- 1.3 **Sanctions and reductions in benefit:** DHPs cannot meet these because to do so would undermine the effectiveness of the sanctions or reduction in benefit. These are
  - any reduction in Income Support (IS) or income-based Jobseeker's Allowance (JSA(IB)) due to a Reduced Benefit Direction (RBD) for failure to comply with the Child Support Agency in arranging maintenance. The RBD is a reduction in benefit of 40% of the personal allowance and only applies to IS or JSA(IB)
  - any reduction in benefit as a result of non-attendance at a work-focused interview. This applies both where the person's HB/CTB is reduced and when any other benefit that the person is receiving, such as IS is subject to a sanction
  - any reduction or loss of benefit due to a JSA employment sanction. JSA is not payable for the period of sanction if they have contributed towards their unemployed status, for example, by leaving employment voluntarily or failing to attend a prescribed training scheme. In such cases, it may be possible for a reduced rate of JSA to be paid under the JSA hardship provisions
  - any reduction in benefit due to a JSA sanction for 16/17 year olds – for certain young people who receive JSA under a Severe Hardship Direction. JSA is not payable for the period of the sanction if they have contributed towards their unemployed status, for example, by leaving

unemployment voluntarily or failing to attend a prescribed training scheme, or

- any restriction in benefit due to a breach of a community service order

- 1.4 **Benefit suspensions:** HB can be suspended either because there is a general doubt about entitlement or because a customer has failed to supply information pertinent to their claim. In such cases, it would not be permissible to pay DHPs instead. One of the intentions of the suspension provisions is to act as a lever to ensure that the customer takes the necessary steps to provide the authority with the necessary information/evidence - paying DHPs could reduce the effectiveness of this lever.
- 1.5 **Rent, when the person is getting council tax support but not HB or help with housing costs in UC:** in other words, when a person is only getting local council tax support, you should not take into account any financial assistance that they may require with their council tax, when considering the award of a DHP.
- 1.6 **Shortfalls caused by HB overpayment recovery:** when recovery of an HB overpayment is taking place, such shortfalls should not be considered for a DHP.

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**ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS**

<b>1.</b>	<b>Meeting:</b>	<b>Cabinet</b>
<b>2.</b>	<b>Date:</b>	<b>10th April 2013</b>
<b>3.</b>	<b>Title:</b>	<b>Sheffield City Region: Inter-Authority Agreement</b>
<b>4.</b>	<b>Directorate:</b>	<b>Resources</b>

**5. Summary**

To seek approval to enter into an Inter-Authority Agreement with the other members of the Sheffield City Region, in respect of the distribution of funding.

**6. Recommendations**

**That Cabinet approves entering into the Inter-Authority Agreement with the other authorities in the Sheffield City Region.**

## **7. Proposals and Details**

Cabinet considered a report on the establishment of the Sheffield City Region at its meeting on 6<sup>th</sup> March 2013.

As part of supporting the new combined authority, Sheffield City Council has agreed to becoming the accountable body for the purpose of administering funding streams which are to be defrayed on a South Yorkshire or Sheffield City Region basis. Currently those funds are the Jessica Fund and the Growing Places Fund

To facilitate this arrangement all of the participating authorities are required to enter into an agreement to determine administrative, governance and liability arrangements. The liability proportions are determined on a population basis.

The agreement has been approved by the Director of Legal Services and appropriately protects the Council's interests.

## **8. Finance**

As contained in the report.

## **9. Risks and Uncertainties**

By entering into the agreement all members of the Sheffield City Region have certainty with regard to any potential liabilities.

## **10. Policy and Performance Agenda Implications**

To support the Council in playing a full role in the Sheffield City Region.

## **11. Background Papers and Consultation**

Inter-Authority Agreement

**Contact Name** : *Jacqueline Collins, Director of Legal and Democratic Services, telephone 01709 8255768 or e-mail jacqueline.collins@rotherham.gov.uk*

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1. Meeting:</b>	<b>Cabinet</b>
<b>2. Date:</b>	<b>10<sup>th</sup> April, 2013</b>
<b>3. Title:</b>	<b>School Improvement Strategy</b>
<b>4. Directorate:</b>	<b>Children and Young People’s Services (CYPS)</b>

**5. Summary:**

The Government’s aim, ‘to support the school system to become more effectively self-improving’, charges schools with the primary responsibility for their own improvement. As the capacity of Local Authorities reduces and schools and leaders take on greater responsibility for school improvement, leading improvement work across the system, there is a need to put in place suitable safeguards and a support infrastructure to ensure all children and young people fulfill their potential.

In April 2011, Cabinet agreed to enter into a minimum of a two year agreement with Rotherham School Improvement Partnership. This report sets out the proposals for the next phase of school improvement delivery across the borough.

In September 2012, Learners First Schools Partnership Ltd., was set up as a school company by Wickersley School with the support of Rotherham MBC. Learners First is the legally constituted successor to Rotherham School Improvement Partnership.

Learners First Schools Partnership Ltd is a ‘not for profit’ company. Through the Strategic Director of Children and Young People’s Services, the Council acts as the supervising authority for the company. The School Effectiveness Service is working in partnership with Learners First.

Schools agreed through the Schools Forum meeting on 5<sup>th</sup> October, 2012 that funds to develop and deliver a school-led school improvement model should be allocated from the Dedicated Schools Grant (DSG) in the 2011/12 financial year to Learners First and unanimously supported the proposal. Agreement has subsequently been given by schools to extend this up to and including 2014/15 financial year with a proposed annual allocation of funding of £765k.

Cabinet is requested to approve the payment of the above funds which are currently retained and managed by the Children and Young People’s Services Directorate to Learners First.

**6. Recommendations:**

**That Members support the recommendations of the Strategic Director, Children and Young People's Services, and the Schools Forum as follows:-**

- **The provision of DSG funding to Learners First Schools Partnership Ltd., to develop and deliver a school-led school improvement model up to and including 2014/15.**
- **That until a governance and accountability structure is agreed and implemented that the residual balance of DSG funding currently allocated to the Rotherham School Improvement Partnership for the financial year 2012/13, is vired to the 6 local authority maintained Schools responsible for leading the Learners First priority improvement areas.**
- **That Members note the HMI findings on its recent inspection into good practice and the strengths of collaborative working.**

## 7. Proposals and Details

The Government's aim, 'to support the school system to become more effectively self-improving', charges schools with the primary responsibility for their own improvement. As the capacity of Local Authorities reduces and schools and leaders take on greater responsibility for school improvement, leading improvement work across the system, there is a need to put in place suitable safeguards and a support infrastructure to ensure all children and young people fulfil their potential.

During 2011/12 it became evident that aligning the strategic groups for Rotherham School Improvement Partnership (RoSIP) and the Teaching School Alliance (TSA) would better serve our schools and allow us to firmly root local priorities within the national context. From the outset, school leaders agreed that RoSIP and the TSA must build the necessary, sustainable capacity and capability required to deliver the agreed Mission in all settings. This will mean investing in, and drawing on school based staff to take lead roles in developing and delivering school improvement programmes – in effect re-investing resources in the schools system to be more self supporting.

As funding pressures on the local authority increase, schools are aware that increased investment from the local authority is highly unlikely and that existing revenue funding for school improvement will focus on the LA's statutory responsibilities. The Dedicated Schools Grant (DSG) currently provides for the majority of funds to support school improvement work both through staff employed directly by the local authority and through school-led provision.

Improvements in the performance of schools continued in the 2011/12 academic year despite significant system reform and upheaval. The model established by Rotherham schools through 'Learners First' demonstrates the commitment of Headteachers to work collaboratively for the collective benefit of all Rotherham children with the shared Mission being the driving force behind all activity and areas of school improvement focus:-

- all students making at least good progress
- no underperforming cohorts
- all teachers delivering at least good learning and
- all schools moving to at least the next level of successful performance

Strategic priorities for the group are informed by an annual audit of school need using data from the local authority and Headteachers lead and direct the activities aimed at delivering improvement. The six strategic priority areas are:- Key Stage 2; Key Stage 4; SEN; Initial Teacher Training; Leadership Development; Targeted Professional Development. Governor development is a new seventh addition to the priorities.

Partnerships and relationships between schools and Children and Young People's Services remain strong owing to collaborative working and School Effectiveness Service colleagues act as partners in practically all activities. The model established in Rotherham is becoming a nationally recognised model of

good practice and it is critical that new partnerships are given time to develop and flourish. Early indications are positive but it is important that momentum is maintained and capacity is created within the system to enable more of the best practitioners in Rotherham to be provided with opportunities to develop themselves, share practice and have wider impact both within and beyond their own school. Interest from schools outside of Rotherham wanting to join the partnership is also growing and this is bringing inward investment into Rotherham in terms of skills, knowledge and finance that serve to benefit Rotherham children. This is especially so from schools in Sheffield and Doncaster who see the approach as 'ground breaking'.

Rotherham is at the forefront of change and its partnership model is one that others are seeking to follow. During the recent 'Good Practice Survey of Local Authority Work in Supporting Improvement', HMI were very impressed with the commitment to the collective mission which underpins all strategies and provides core values, a moral purpose and a collective responsibility. It is seen as 'the glue' which gels together the LA, its partners and schools as a cohesive community. Collaborative working is seen as a particular strength and a key part of that, is the use of diverse arrangements to meet schools' needs in terms of school improvement. Professional development and training is regarded as being of good quality and a strength is the focus on the development of sustainable capacity for improvement in schools, with the responsibility given back to schools. The Learners First Schools Partnership is seen as a strong response to the changing landscape and is highly innovative as is the use of the Teaching Schools Alliance and the nationally awarded Leadership Licence to develop and grow leaders.

## **8. Finance:**

Currently, funding for the schools partnership is allocated from the Dedicated Schools Grant (DSG) – a ring fenced grant payable to local authorities in support of the Schools Budget.

Initial investment was derived from savings made through 'value for money reviews' of centrally managed services provided for schools conducted by Head teachers in 2010/11 and a realignment of spending priorities. As such, no school had their individual budget reduced to provide the funding for the partnership, which was £765k in 2011/12 and 2012/13 financial years. This funding is to pay for additional school improvement capacity such as national leaders of education, national leaders of governors, local leaders of education and leadership development etc. There are no staff being subject to TUPE.

A 3 year budget was proposed by the Learners First Strategic Group covering the period 2012/13 to 2014/15 and agreed by schools and the Schools Forum.

The request for virement to the schools is in accordance with the Financial Regulations guidance note: virements – section 8(f).

## **9. Risk and Uncertainties**

The Government aims to extend autonomy and freedom for schools in England. With increased independence for schools and some opting for Academy status, there is an increased risk of fragmentation in the schools system. Evidence to date however, suggests that the existing school-led partnership model in Rotherham has helped maintain coherent and collaborative networks with positive results on student progress.

The effectiveness of Learners First in supporting improving standards and value for money will be monitored and evaluated by the Rotherham School Improvement Board (to be established). This board will be Headteacher led supported by representatives of the LA.

The Government has announced the introduction of a national funding formula in the next Spending Review period. This may impact on the method by which the partnership is funded beyond 2014/15. Changes in pupil numbers or increases in the number of academy conversions in 2013/14 and 2014/15 may also impact on the level of funding available.

An important aspect of local decision-making is the Schools Forum. Schools Forums were put in place to support local authorities on matters relating to school budgets and they play a critical role in representing the views of all the schools in the area, including Academies, Free Schools, maintained schools and early education providers. The Schools Forum fully supports the governance and funding arrangements for the Schools Partnership and monitoring and reporting arrangements in place.

## **10. Policy and Performance Agenda Implications**

Despite the Governments continued attempts for schools to become more autonomous and free from local authority control including academisation and free schools, there is still a level of accountability placed on the LA for the performance of all schools.

It is therefore essential that the relationship with Learners First allows for a level of scrutiny and challenge. The LA continues to use its statutory powers in relation to Schools of Concerns and those requiring additional support.

**11. Background Papers and Consultation**

- Sustaining School Improvement in Rotherham from April 2011, Report to Cabinet 6<sup>th</sup> April, 2011

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