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Evaluation of Additional Discretionary Housing Payments Funding provided by the Welsh Government to Local Authorities in Wales for 2013/14

August 2014

Evaluation of Additional Discretionary Housing Payments Funding provided to Local Authorities in Wales for 2013/14

Summary

- In January 2014, all Welsh local authorities were contacted to assess the likely demand for a scheme to provide one-off additional funding for discretionary housing payments.
- The main objectives for the funding were to assist more customers through the discretionary housing payments scheme and for local authorities to consider a more holistic approach to discretionary housing payment administration.
- Sixteen local authorities applied for funding and were awarded funding amounting to £975,499. Of the total awarded, £797,694 was spent with £177,804 being returned to Welsh Government.
- The most common use of the funding was to extend payments to claimants that had previously been excluded or to provide assistance for tenants to make a move to cheaper or more appropriate accommodation.
- The funding was also used to provide short term support, allowing re-arrangement of finances and/or personal circumstances and to enable disabled tenants to remain in substantially adapted properties.
- Generally, the additional money was welcomed. There was some concern that it came too near to the end of the financial year. Limited time and the inability to carry forward funds or decisions into the subsequent financial year resulted in some of the funding being returned to Welsh Government.
- Many of the local authorities have indicated that they are looking to develop their services to ensure improved outcomes for more of their discretionary housing payment customers.
- The additional funding and the terms on which it was given has helped embed a more holistic approach to the administration and deployment of discretionary housing payments.

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Background

1. Since April 2011, the UK Government has been systematically introducing reforms to the welfare system. This has had a significant impact on people claiming housing benefit in the private rented sector and from April 2013, on the social rented sector with the introduction of the bedroom tax.
2. Housing benefit and discretionary housing payments are non-devolved. To help mitigate the effects of these reforms, the Welsh Government has been supporting local authorities through its Homeless Prevention funding to prevent homelessness and to mitigate against the impacts of welfare reforms.
3. For the three financial years ending 31 March 2014, the Welsh Government provided a total of £2.1 million in funding. This year (2014/15), the Welsh Government has already made available an additional £300,000 to local authorities for homelessness prevention more generally but including help to mitigate the impacts of welfare reform. The intention is to make more funding available later in the year as part of preparations for the introduction of new homelessness legislation in April 2015.
4. The UK Government provides additional money to help people cope with the detrimental impacts of their reforms through the discretionary housing payments scheme. Evidence suggests that the demands on the fund exceed the amount of money available to support all applications. To place this in context, during 2013/14, local authorities were provided with £7.1 million by the Department for Work and Pensions but the impact of the bedroom tax alone in Wales was estimated at approximately £23 million¹.
5. Factors such as the economy, welfare reform, job losses and increasing costs of living are among factors that can cause homelessness for people who are in work and unemployed. Discretionary housing payments play an important role in mitigating the impacts by way of early assistance to people in need of accommodation. In order to assist local authorities in their task of helping people to cope with the impacts of welfare reform, the Welsh Government made £1.3 million available to supplement the money available for discretionary housing payments.
6. The deployment of the funding was based on the approach developed by Cardiff City Council to using discretionary housing payments. This has additional benefits as it seeks to utilise the funding in the short-term to address the root problems behind people's circumstances to achieve long lasting change. This helps people to avoid a situation in the future where they find themselves requiring urgent assistance from discretionary housing payments in the future.

¹ <https://www.gov.uk/government/publications/number-of-housing-benefit-claimants-and-average-weekly-spare-room-subsidy-amount-withdrawal>

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Methodology

7. In January 2014, all local authorities were contacted to assess the possible demand for a scheme and whether the funding could be utilised by 31 March 2014 (Appendix 1).
8. They were also asked to consider their working practices having regard to the system in place in Cardiff. A flow-chart was provided suggesting a way in which a holistic approach could reduce repeat claims for discretionary housing payments.
9. The amount offered the local authorities was determined using the same ratio as the Department for Work and Pensions uses for its discretionary housing payments allocations.

Table 1 – Indicative Allocation*

Local Authority	£(indicative)
Blaenau Gwent	£33,900
Bridgend	£59,000
Caerphilly	£61,800
Cardiff	£233,000
Carmarthenshire	£59,300
Ceredigion	£34,500
Conwy	£51,300
Denbighshire	£45,900
Flintshire	£51,100
Gwynedd	£51,000
Isle of Anglesey	£28,800
Merthyr Tydfil	£26,300
Monmouthshire	£25,800
Neath Port Talbot	£67,200
Newport	£72,600
Pembrokeshire	£41,000
Powys	£32,700
Rhondda Cynon Taf	£95,300
Swansea	£100,300
Torfaen	£40,900
Vale of Glamorgan	£46,400
Wrexham	£41,800
Total	£1,299,900

*Figures are rounded to nearest £100

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10. On 7 January 2014, officials met with representatives from the majority of local authorities to discuss the funding. Concern was expressed at the meeting by some, that they probably would not be applying for money because:-
 - a. inadequate staff numbers to administer the additional funding;
 - b. local discretionary housing payments policies could not be re-written and ratified by local council members in time;
 - c. local authorities had already committed additional funding to cover shortfalls;
 - d. increased in-year *rural status* funding (Gwynedd, Ceredigion and Powys) by Department for Work and Pensions, and;
 - e. Conwy had applied for additional funding from the Department for Work and Pensions but had not received a response. They indicated that they would apply for funding but if successful with Department for Work and Pensions, they would withdraw the application to Welsh Government.
11. Not all local authorities responded to the initial letter mostly for one or more of the reasons stated above. In total, those who did respond indicated that they could utilise £1,024,000 of the money available. Each authority was asked to make a realistic estimate of what it could spend by the end of the financial year as money could not be carried forward into subsequent years. After all requests had been received, there was a surplus of approximately £300,000. It was agreed that the local authorities who had already responded to the original bid, could apply for extra funding. Caerphilly, Merthyr Tydfil and Wrexham applied for additional money and were successful with their bids.
12. By the end of January 2014, sixteen local authorities were awarded funding amounting to £975,499. Conwy, which had initially applied, withdrew before the final award was issued because they had received additional in-year funding from Department for Work and Pensions. (See 10(e) above).
13. A requirement of the funding was to:-
 - a. meet discretionary housing payments only;
 - b. review procedures (with the aim of building the Cardiff approach into its system), and;
 - c. evaluate the scheme, as follows:-
 - i. provide information to detail how the additional funding was used;
 - ii. the experience of modelling the Cardiff approach
 - iii. further local developments and innovations that they were able to make, and:
 - iv. any additional notes/comments.

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Findings

Details of how the additional funding was used

14. All local authorities, apart from one, spent their entire Department for Work and Pensions discretionary housing payments budgets. Against that background, the additional funding provided by the Welsh Government was commonly used to:-
 - a. extend payments to those that had previously been excluded i.e. revisit previous decisions and amount of awards previously made;
 - b. provide help that otherwise would have been made from a council's general fund;
 - c. provide assistance for claimants to move to cheaper or more appropriately sized accommodation by providing assistance with rent in advance, rent deposit or removal costs, and;
 - d. where appropriate, the fund was used to clear rent arrears if it was a barrier preventing tenants to move on.

15. It also allowed some local authorities to:-
 - a. enable disabled people living in substantially adapted properties to remain in their home;
 - b. provide short-term support to allow people time to rearrange their finances (through debt advice or by providing support linked to the end of loan arrangements), and;
 - c. provide short-term support prior to a predictable/known change in circumstances that would mean an increase in Housing Benefit entitlement (e.g. birth of a child, child's 10th or 16th birthday).

Experience of modelling the Cardiff approach

16. The vast majority of the local authorities who applied for support from the fund already had a 'triage' type approach to discretionary housing payments. Two local authorities had made no headway in this area due to sheer volume of work.

17. The reports for each of the local authorities included the following key elements:-

Blaenau Gwent – It was able to deal with an additional 72 cases and operated a triage approach for all the cases. This included referrals to Welsh Water Assist scheme, awards of SWALEC's warm home discount, referrals to advice surgeries held with Citizens Advice Bureau for those requiring budgeting / debt advice and to the Digital Inclusion project for help to get online.

Bridgend - It already offered a face-to-face service for those who are affected by the benefit cap. Before discretionary housing payments are awarded, the customer receives debt/money advice and ensures maximisation of income. The Benefits Service also contact landlords and have been successful in

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negotiating lower rents in some circumstances. Those who found work received support and advice to ensure a seamless transition from out-of-work to in-work claiming. *Houseswap Wales* was actively promoted. Consequently, very few of these claimants received a discretionary housing payment.

Caerphilly – Its approach is similar to Cardiff by working closely with colleagues and stakeholders to build criteria that suits all. Its officers are working in partnership with Job Centre Plus to receive referrals for fast track employment support. All discretionary housing payments claimants have face-to-face support, promotion of Welsh Water Assist, referrals to Citizens Advice Bureau (provision of debt and money advice to tenants), specialist energy saving advice, specialist support within the authority (Family First, Team Around the family, and Supporting People) and the Bond Guarantee Scheme.

Carmarthen - Many of the elements in Cardiff's approach already apply in Carmarthenshire including:

- i. Close liaison between the Benefits Section and the Council's Housing Services Division, with cross referrals to and from the Housing Options Team and the Debt & Benefit officer (co-funded by Housing Benefits);
- ii. An informal pre-assessment process where senior benefits staff filters cases, pro-actively review cases to ensure information held is accurate;
- iii. Duty Senior Benefits Officer interview tenants, liaise with landlords, make referral to Housing Options / Debt Adviser;
- iv. The Benefits Service provides information and support to social sector landlords on Bedroom Tax cases for Housing Officers and Registered Social Landlord staff, and;
- v. Tenants may be given advice on potential longer-term/ permanent solutions and/or signposted to providers of support and advice.

Flintshire – It holistically assesses the circumstances and ultimately tries to identify alternative and sustainable means by which a household will be able to meet the shortfall in their housing benefit award. The *Flintshire Advice Gateway* is a triage type approach with the most effective (relevant) service provider being requested to assist the resident in a timely manner.

Isle of Anglesey – Its policy is already broadly similar to the Cardiff model.

Merthyr Tydfil - Cardiff's approach is very similar with their application process being outcome based i.e. underlying issues addressed to negate future claims for discretionary housing payments.

Monmouth – It works closely with local Registered Social Landlords and other partners to ensure that they identify suitable applicants for discretionary assistance. They provide detailed information about the availability of Housing

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Advice/ Options services and the help available from landlords with personal budgeting support.

Neath Port Talbot – Its approach is aimed to initially protect and ultimately alleviate the problems resulting in financial difficulties. It agrees a personal plan to move the customer out of the financial predicament in which they find themselves. They protect certain groups from the effect of the bedroom tax by the using discretionary housing payments i.e. disabled people in adapted accommodation or foster carers with additional rooms used for foster children.

Powys – It reported that there are several similarities between the Cardiff model and that in Powys. (Details were not provided to show the similarities.)

Rhondda Cynon Taf - The Benefits Service works closely with housing stakeholders i.e. local Registered Social Landlords and the Council's Private Sector Housing Team to identify possible recipients from their own records. Communications were issued to the Registered Social Landlords setting out the details of the initiative to mirror Cardiff (where possible) as follows:-

- i. The key criteria to be met is to prevent further discretionary housing payments applications being made in the future;
- ii. The following categories can be actively pursued:-
 - a) Those that downsize to appropriately sized accommodation;
 - b) Those with debt problems who seek advice to manage their budgets in the future;
 - c) Those that seek assistance with financial management and increase their disposable income to pay for any shortfall;
 - d) Those with addictions who seek help e.g. gambling, drug and alcohol misuse etc., and;
 - e) Those who are on the housing waiting list for a smaller property and who are genuinely are trying to mitigate the restriction.

Swansea - They already uses a similar approach to Cardiff by working with Housing Department, Housing Associations to find more permanent solutions to avoid the "Bedroom Tax". This includes moving to alternative accommodation, helping with relocation costs, *Homeswapper*, taking in a lodger etc. They have an Advice Centre where third sector organisations and local authority services hold surgeries providing housing advice, money advice and employment / training advice.

Torfaen - It has worked particularly closely with *Bron Afon* Housing Association as part of the direct payment demonstration project to ensure that they identify suitable applicants for discretionary assistance and to advise them regarding the information they should collect. They have provided detailed information about the availability of Housing Advice/ Options services and the help available from landlords with personal budgeting support.

Wrexham - The authority ensures that either their benefit liaison officer is made aware of an application for discretionary housing payments or a Welfare Officer

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of the Housing Associations. This system allows for Money/Budgeting Advice or additional Welfare Support. The use of triage has ensured that more accurate discretionary housing payment applications are made which fully identify all relevant factors which allow the authority to make a more informed decision which can have a beneficial impact to the customer.

Further developments and innovation

18. The responses to this are extremely encouraging because many of the local authorities (including the two who were unable to introduce the Cardiff model) have indicated that they will look to develop their services to ensure improved outcomes for more of their discretionary housing payment customers.

Blaenau Gwent – Would like to continue with a triage service - resources permitting.

Bridgend – The debt advisor was previously funded through the Welsh Government's Homelessness Prevention Grant. It is funding its own debt advice for a twelve month period. This will ensure that this assistance continues and remains easily accessible.

Carmarthen – The Benefit Service is in discussion over an additional referral system aimed at formalising and improving the advice needed to provide longer-term or permanent solutions for claimants. Claimants applying for discretionary housing payments would be referred to the new *Un Sir Gar Hub* for face-to-face advice including telephone and web support in finding employment, training, volunteering (as well as benefit advice). This incorporates the "LIFT" Programme (part of the Tackling Poverty agenda from the Welsh Government) and involves other key partners including Department for Work and Pensions, Communities First, *Want2Work*, Coleg Sir Gar, *Workways* and Careers Wales. It will provide a fresh and holistic approach to providing long-term solutions to claimants, with the potential for discretionary housing payment awards being linked with referral-related actions / outcomes where considered appropriate to the claimants' circumstances.

Flintshire – The *Flintshire Advice Gateway* will, when fully operational, be made accessible to colleagues within Jobcentre Plus. This will enable referrals to be made for those who are in need of advice and support to address social welfare issues that are acting as a barrier to them preparing for, or accessing employment/training.

Isle of Anglesey – It has adapted its discretionary housing payment policy and application forms. It is anticipated that internal and external stakeholders will have a better understanding of the awarding criteria, thereby resulting in fewer appeals or requests for discretionary housing payment with little prospect of success.

Merthyr Tydfil - Some future initiatives may include - increasing discretionary housing payments awareness and profiling customers to ensure that they are

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helping as many of their vulnerable people as possible. This is dependent on future funding as the resources in the Benefits Section have been reduced.

Monmouth – It works closely with the Housing Options team to identify priority clients who required support with rent in advance. The Council assist with rent in advance to the private rented sector, in order to prevent customers entering homeless accommodation. This initial scheme has proved successful as the cost of housing clients in this accommodation was much more cost effective than the alternative.

Neath Port Talbot – It has established a post where the post holder will discuss and agree with the claimant a personal plan to alleviate the financial difficulties in which the person finds themselves. This may be budgeting advice, re-housing advice, employment advice etc. A discretionary housing payment is one of the tools used by the Authority but not used in isolation. It is currently funded by Welsh Government and Department for Work and Pensions.

Powys – It has developed a fast-track system to assist homeless people moving into rented accommodation.

Swansea - All discretionary housing payments cases that had been turned down were reviewed to ensure consistency of decision making. The application form has also been reviewed.

Torfaen – Similar to Monmouth as both local authorities have the same benefit manager. They are supporting customers to find solutions to the bedroom tax by looking at schemes to provide short term assistance (when customers are starting work) to those who are economically active - the ideas are still being developed during 2014-15.

Wrexham – The additional funding was used to help people with removal costs in moving to a smaller property so they were not subject to the spare room restrictions and also helped provide support for customers who wanted to move from the Social Sector to a private landlord. It is constantly reviewing ways in which it can provide support to customers to help mitigate their financial circumstances and improve their circumstances. This may be help whilst awaiting a move to smaller accommodation or support once a customer has started part time work.

Additional notes/comments

19. This section was completed by 12 of the 16 local authorities that received the additional funding. Those who responded generally welcomed the additional money. Four local authorities expressed some concern that it came to near to the end of the financial year, which made it difficult to spend the full allocation in nine local authorities. Some expressed a desire that if money becomes available again in the future that it should be made available earlier in the financial year. However, judging by the responses the additional funding was welcomed and was a case of better late than never.

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Bridgend - Its Local Service Board arranged a number of seminars aimed at intermediaries to raise awareness in advance of the Welfare Reforms and the options available to affected tenants i.e. move, start work, increase hours etc. Presentations were given by Housing Benefit and Department for Work and Pensions staff and a panel consisting of CAB, Credit Union, Housing Options, Registered Social Landlord Welfare Advice and others undertook a Q&A session. The seminars were attended by over 500 delegates and more sessions are planned.

Cardiff - If the money had been available sooner, a more pro-active plan of expenditure could have been developed and the funding would have been better distributed.

Carmarthen - The Council's policy was sufficiently flexible to allow existing awards to be revisited. Nevertheless it is appreciated that the availability of funding for distribution by Welsh Government may come about unexpectedly, and it is up to all parties to work together to make best use of it.

Flintshire – This is an area where universal credit is available (Shotton), discussions are taking place with the Department for Work and Pensions for the *Flintshire Advice Gateway* to be used as the mechanism by which a universal credit claimant is able to quickly and seamlessly access the IT and personal budgeting support they need to make and maintain their universal credit claim.

Isle of Anglesey – Concern was expressed about the lateness of the funding and the inflexibility of not being able to carry forward underspends in to the subsequent financial year. They were concerned underspends may be construed as local authorities having sufficient money to meet all discretionary housing payments demands.

Merthyr Tydfil – Its outcome based award process and referral process works well and regular meetings with Registered Social Landlords and internal and external stakeholders will continue as this joined up approach to helping customers.

Swansea - The additional funding from Welsh Government allowed this Council to make 370 additional discretionary housing payments awards.

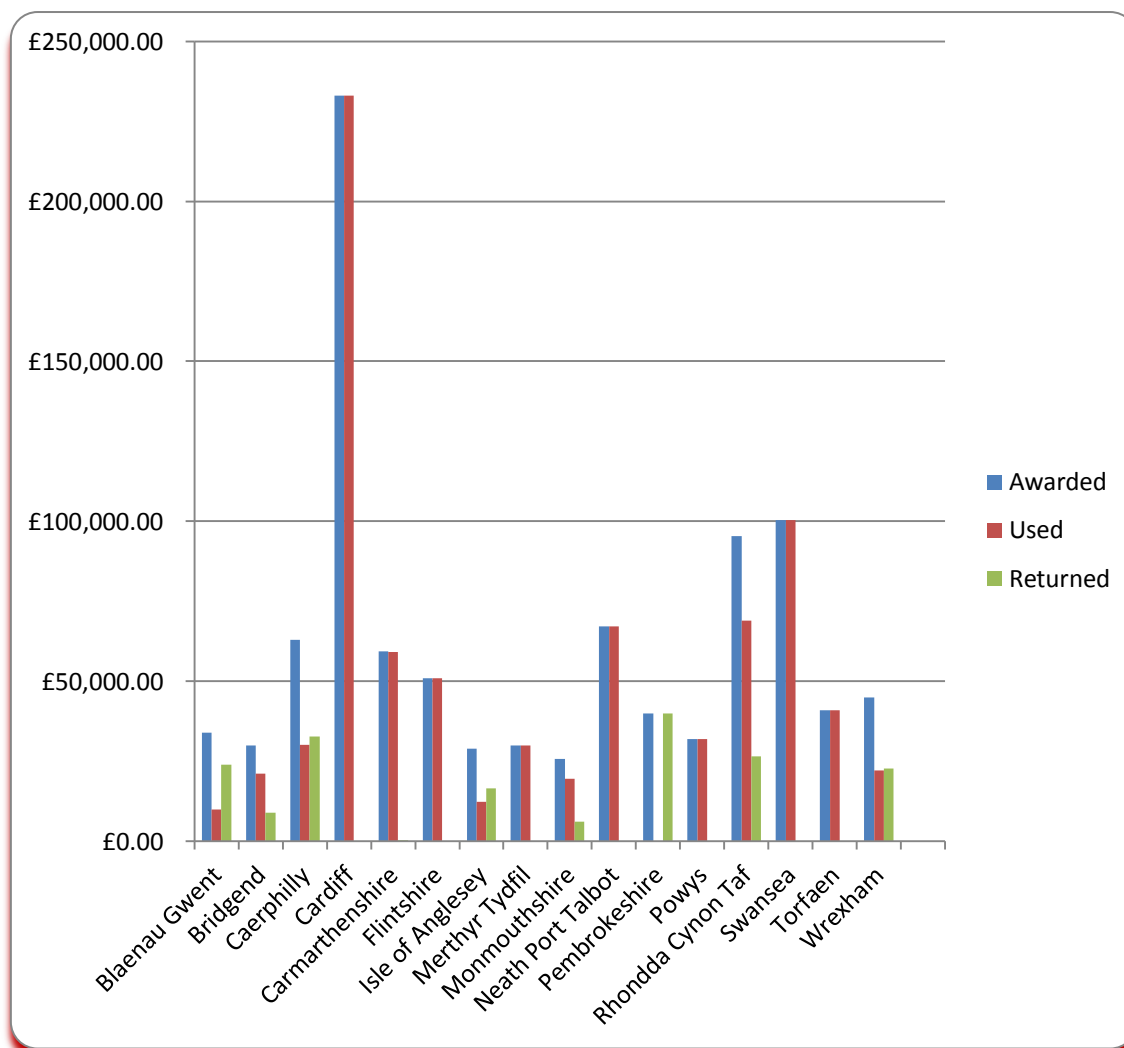
Wrexham - Whilst the authority was disappointed it did not spend its full allocation, it ensured that all applications were treated in the same manner and it did not alter its decision making criteria as a result of receiving additional funding. The Council is, however, satisfied that use of this additional funding enabled additional Discretionary Housing Payment awards to be made which helped mitigate the implications of welfare reform and the majority of cases use of this fund was made to help reduce multiple future applications from customers.

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Summary

20. Of the total awarded (£975,500), £797,700 was spent, with £177,800 being returned to Welsh Government. Seven local authorities were able to utilise the full amount of their award – Cardiff, Flintshire, Merthyr Tydfil, Neath Port Talbot, Powys, Swansea and Torfaen. (Table and Graph 2 – Allocation, Expenditure and Returns).

Graph – Allocation, Expenditure and Returns



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Table– Allocation, Expenditure and Returns*

Local Authority	Awarded	Used	Returned
Blaenau Gwent	£33,900	£9,900	£24,000
Bridgend	£30,000	£21,100	£8,900
Caerphilly	£63,000	£30,200	£32,800
Cardiff	£232,900	£232,900	£0
Carmarthenshire	£59,300	£59,100	£200
Flintshire	£51,000	£51,000	£0
Isle of Anglesey	£28,800	£12,300	£16,500
Merthyr Tydfil	£30,000	£30,000	£0
Monmouthshire	£25,800	£19,600	£6,200
Neath Port Talbot	£67,200	£67,200	£0
Pembrokeshire	£40,000	£0.00	£40,000
Powys	£32,000	£32,000	£0
Rhondda Cynon Taf	£95,300	£68,900	£26,400
Swansea	£100,300	£100,300	£0
Torfaen	£40,900	£40,900	£0
Wrexham	£45,000	£22,200	£22,800
Total	£975,400	£797,600	£177,800

*Figures are rounded to nearest £100

21. Eleven local authorities used 50 percent or more of their award.
22. Pembrokeshire advised that, "... *despite [their] best endeavours they were not able utilise any of the funds made available....*" Statistics received from the Department for Work and Pensions indicate that Pembrokeshire failed to spend all of their discretionary housing payments allocation from Department for Work and Pensions by approximately £4,000.
23. The main objective of the funding was to assist more customers through the discretionary housing payments scheme and to have a more holistic approach to discretionary housing payments administration.
24. Not all local authorities quantified the number of additional customers that were helped by the additional funding. Blaenau Gwent, Cardiff, Carmarthen, Flint and Swansea quantified the numbers of customers who received financial assistance.

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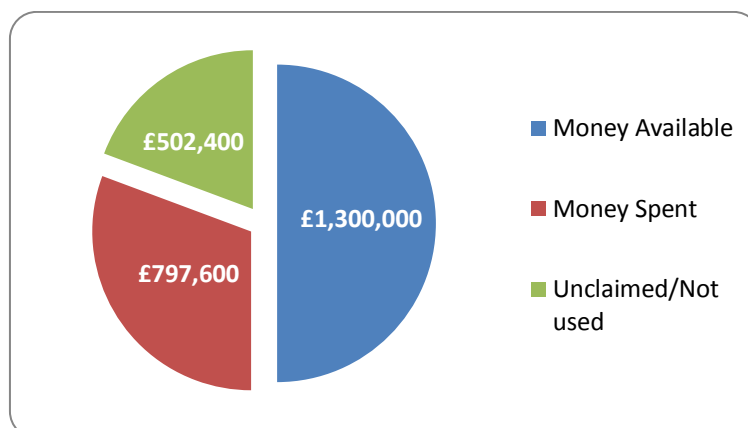
Table 3 – Number of customers supported by the additional Welsh Government funding

Local authority	Numbers
Blaenau Gwent	72
Cardiff	372
Carmarthen	270
Flint	57
Swansea	370
Total	1141

25. Although Cardiff is seen as an exemplar, many of the local authorities that received this additional funding already have a holistic approach, with stakeholders playing a major role in assisting customers to overcome underlying issues.
26. Those who did not have systems in place have indicated that they will alter their working practices this year and consider ways of reaching out and helping more customers.
27. In addition to this evaluation, officials contacted 19 of the 22 local authorities to find out why they did not apply for a share of the £20 million additional in-year funding from Department for Work and Pensions. The Welsh Government funding was mentioned as a reason for not applying to Department for Work and Pensions:-
 - a. *The additional funding from Welsh Government, approved in January 2014, negated the need for the Council to make a bid to the Department for Work and Pensions from its reserve fund - which may not have been successful, and*
 - b. *It only became apparent during the last quarter of 2013/14, when applications increased by 50% on previous quarters, that an overspend would occur. An application for additional Welsh Government discretionary housing payments funding was made at that time.*
28. A reasonable amount of the additional funding made available was unspent. £1.3 million was made available originally with £797,600 being used – a shortfall of £502,400. Isle of Anglesey officials pointed out that any underspend should not be interpreted that the total funding (Welsh Government and Department for Work and Pensions) was adequate to meet the needs of all people. The reason why money was returned was an inability to carry forward the additional funding into 2014/15 year and the lateness in the financial year of receiving additional funding.

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Table 4 – Total expenditure by Welsh local authorities.



Conclusion

29. The expectation was that the majority of Welsh local authorities would make an application for additional funding from Welsh Government because of the pressures on discretionary housing payment fund. It became apparent that there were a number of local reasons why some did not apply.
30. Many were thankful for the additional support as the money provided by Department for Work and Pensions proved inadequate to meet the increased demand – especially as a consequence of the bedroom tax.
31. Nine local authorities were unable to fully utilise the additional funding. This was because the money only becoming available near to the end of the financial year and the inability to carry forward underspends or make awards into the subsequent financial year. Furthermore, some were required to update their local discretionary housing payments policies to reflect the additional funding, which in turn had to be ratified by local council members. This again reduced the timeframe in which they had to use the funding.
32. Any underspend should not be interpreted as local authorities having sufficient money available to meet all need. The additional funding has been put to good use in the authorities that utilised it.
33. The interaction between local authorities and Welsh Government officials has resulted in closer working with a better understanding of problems and issues.
34. Many local authorities have systems in place which are similar to that in Cardiff. This scheme has resulted in a commitment from local government to work towards harmonising working practices. At the time of writing this report eighteen Welsh local authorities are working with an initiative called The Welfare Reform Club to agree common protocols across Wales. Welsh Government officials have written to local authorities offering additional Homeless Prevention funding and it is hoped the four remaining local

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authorities sign up to this strategy. This will include the local authorities that did not apply for this funding.

35. Neath Port Talbot County Council indicated that it routinely protect disabled people in adapted accommodation and foster carers with additional rooms used for foster children.
36. Swansea local authority advised that it has an expectation that tenants will help themselves. Tenants are expected to demonstrate the steps they have taken with their landlord and advice services offered by the Council to find a more permanent solution.
37. The aim of the funding was to financially assist more customers to ensure that they remain in their homes and to have a more holistic and universal approach to discretionary housing payments administration. We know for certain that 1141 additional people were helped, based on information from local authorities who quantified numbers. Eleven out of the 16 local authorities did not provide numbers and it is believed that the numbers receiving help were significantly higher. The injection of funding and the basis on which it was given has helped embed a more holistic approach to the administration and deployment of discretionary housing payments.
38. It is apparent, therefore, that the main objectives for the funding have been achieved despite the limited time available for the local authorities to utilise it.

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Appendix 1

Copy of initial letter to local authorities – January 2014

To: Local Authority Chief Housing Officers

Eich cyf / Your ref
Ein cyf / Our ref

Dyddiad / Date

January 2014

Dear Colleague

Additional funding for Discretionary Housing Payments: 2013-14

I am writing to you with an opportunity to request additional funding to help people in your area to cope with the impacts of welfare reform. While the reforms are outside our control, we remain concerned about the impact they are having on people across Wales. The work that local authorities and others have done to mitigate the impacts has already helped many people and continues to do so. Future action has been considered by the multi-agency Task and Finish Group led by the Welsh Government and its report is in the process of being finalised.

In considering the impact of the bedroom tax in particular, it is clear that many tenants in the social rented sector turn instinctively to the Discretionary Housing Payments Fund to address shortfalls in income. Consequently, there is often insufficient funding to support all cases of hardship. Furthermore, tenants rarely use the duration of support from the Fund to address their underlying problems, which then results in repeat applications.

In order to ensure that sufficient help is available to people in need of assistance from the Discretionary Housing Payments Fund, I am very pleased to say that the Welsh Government is making available up to £1.3 million of additional funding for use up to and including 31 March 2014. This is one-off support, which would make use of Housing and Regeneration monies that have been identified at this point in time as being uncommitted this financial year.

The funding can only be used for support that can be provided under the Discretionary Housing Payments Fund and only for the rest of this financial year. I am inviting you to consider whether you could utilise additional funding

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for this purpose and if so, how much you could use. Indicative allocations are enclosed (Annex A) to help you to consider your request. The level of any awards will depend on the sum total of all requests. Depending on demand, it may be possible to provide extra funding to utilise any spare balance up to the total of £1.3 million.

The Minister for Housing and Regeneration is aware of some excellent and innovative working practices that have been adopted by local authorities and partners. One of these is the approach that has been adopted by Cardiff, which is impressive in the way that, in addition to providing much-needed support, it seeks to help people to find solutions to underlying problems. The Minister is keen to see this approach extended across Wales.

I am enclosing details of the approach adopted by Cardiff (Annex B) so that in preparing any request for funding support and if not already a feature of your approach, you can explain how you would utilise it to help prevent people from needing future support from the Discretionary Housing Payment Fund. After the end of the financial year, and in addition to providing the Welsh Government with details of how any additional funding has been used, you will then be asked to report briefly on what you did and how it worked out in practice on your experience of modelling Cardiff's approach. It will also provide you with the opportunity to record any further developments and innovations you were able to make. The information will be used to inform future developments and to spread the use of good practice.

By mid-January, my team and I need to be in a position to determine how much of the £1.3 million can be spent by the end of this financial year. Therefore, I need your response by 14 January 2014 at the very latest. You should state how much funding you are seeking and can use by the end of this financial year, and a brief note to explain how it will be used. While I appreciate that it can be difficult to predict the precise level of demand for support, I must emphasise the importance of being as accurate as possible as I wish to avoid a situation where at the very end of the year, there is an underspend of monies that have been set aside specifically for you to provide more help. From your track record of progress, implementation and spend on the *Houses into Homes* programme, I am confident that you will be able to deploy additional monies well.

To make it as easy as possible for you to submit a request for funding, accompanying this letter is Annex C, which is a pro-forma for the purpose. It has been provided as a separate document to make it easier for you to save and submit electronically. Please follow the instructions on the form itself. If you do not wish to take up this offer and do not require any additional funding, I would be grateful if you could let us know.


Please send your response to Karl Thomas (karl.thomas@wales.gsi.gov.uk). Should you have any queries on this letter and the offer of funding, please

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contact Karl Thomas (01597 828283) or Tim Margetts
(tim.margetts@wales.gsi.gov.uk); 0300 062 5106).

I am copying this letter for information to Chief Executives and to the WLGA.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ceri Breeze', with a stylized flourish at the end.

Ceri Breeze
Head of Housing Policy

cc Chief Executives, Local Authorities
Welsh Local Government Association

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Annex A

Discretionary Housing Payments

**Local authorities:
Indicative additional funding levels**

Local Authority	£(indicative)
Blaenau Gwent	£33,855
Bridgend	£58,962
Caerphilly	£61,813
Cardiff	£232,947
Carmarthenshire	£59,330
Ceredigion	£34,518
Conwy	£51,272
Denbighshire	£45,884
Flintshire	£51,149
Gwynedd	£50,988
Isle of Anglesey	£28,844
Merthyr Tydfil	£26,313
Monmouthshire	£25,769
Neath Port Talbot	£67,197
Newport	£72,645
Pembrokeshire	£40,971
Powys	£32,740
Rhondda Cynon Taf	£95,341
Swansea	£100,320
Torfaen	£40,896
Vale of Glamorgan	£46,400
Wrexham	£41,846
	£1,300,000.00

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Annex B

Summary of Cardiff approach

1. When a DHP claim is lodged, local authority immediately engages with the customer to understand their situation.

Triage Service – The most effective way of dealing with the public is through face-to-face interaction. Triage responsible for recommending the next course of action:-

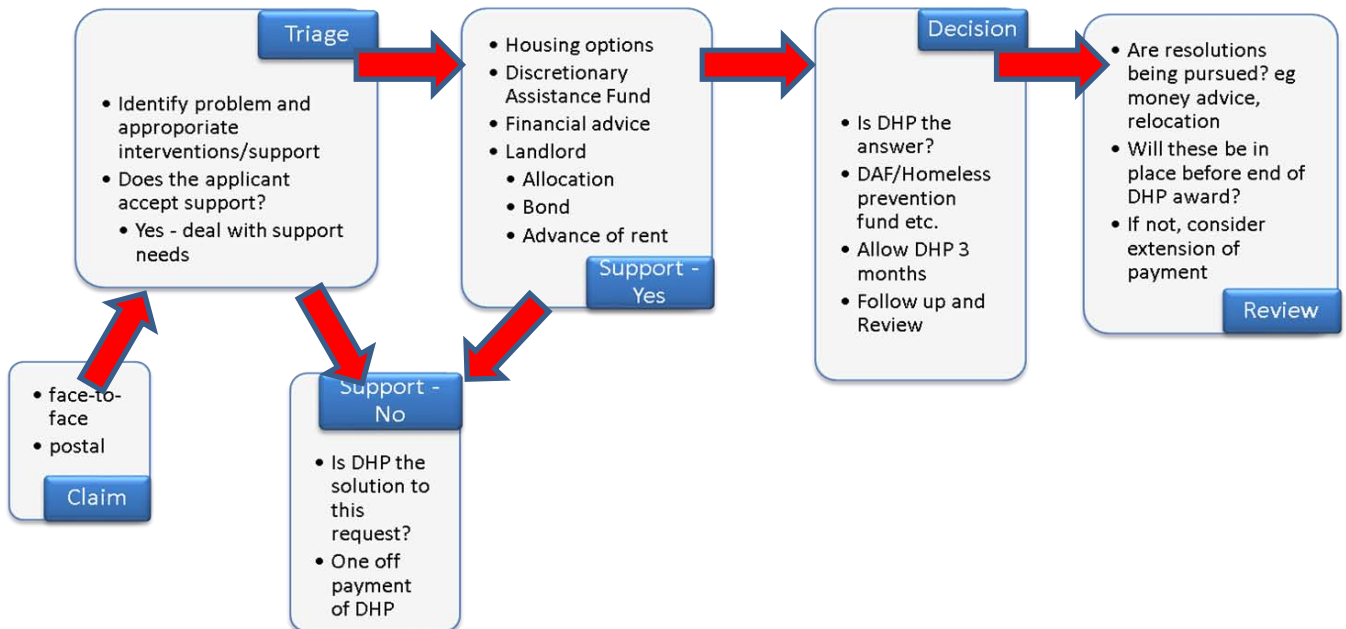
awarding discretionary housing payments for a limited period allowing the tenant time to find a permanent solution:-

- moving to a smaller/cheaper property, and/or
- getting money/debt advice; and/or
- input from the housing option team; and/or
- passing to Discretionary Assistance Fund; and/or
- financial advice and support; and/or
- discussion with landlord.

2. For those who choose not to engage, their claim is considered on individual merit but possibly no further payment will be made if the tenant is unable to prove that they have endeavoured to find a solution to their problems;
3. Housing benefit departments are not able to work in isolation and would need to work closely with colleagues/stakeholders. These may include;
 - a. Housing option teams – access to homeless prevention funds which are being used to clear to rent arrears to enable a tenant to move on, help with relocation costs, bonds and deposits; advice on alternative housing, social lettings, etc.
 - b. Financial colleagues – overview of the discretionary housing payments fund; liaison with the Family Fund and Discretionary Assistance Fund (Social Fund) – voucher payments etc.
 - c. Money advice services – who provide useful IT software solutions to local authorities which is free of charge, their officers provide financial advice;
 - d. Landlords – they can provide details of tenant debt, alternative housing options, mutual exchange information and input in providing a priority downsizing list.
 - e. Third sector – generally key workers who can provide supporting evidence on behalf of a tenant who is unable to deal with their own affairs.
 - f. Houseswap Wales or Homeswapper

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g. Housing benefit /welfare advice Team - Maximisation of benefits



The overarching objective is to:-

- tackle the underlying issues of individual tenants;
- reduce further demands on the DHP fund – reduction in repeat applications; and
- Introduce greater consistency into the processing of claims
