



Council Cabinet
11 September 2019

ITEM 10

Report sponsor: Strategic Director of Corporate Resources
Report author: Head of Revenues, Benefits and Exchequer Services and Head of Customer Management

Changes to the Single Discretionary Award Scheme

Purpose

- 1.1 To explain the proposed change to the Council's Single Discretionary Award (SDA) Policy, and set out the consultation timetable.
- 1.2 On 3 August 2016, following a public consultation, Council Cabinet agreed to implement a new SDA Policy from 30 August 2016.
- 1.3 The Single Discretionary Award Scheme brings together the application process for Discretionary Housing Payments (DHP) Council Tax Hardship (CTH) and the Local Assistance Scheme (LAS).

It also introduces the integration of a person centred and needs tailored programme of support. This personalised support programme focuses on the needs of the customer and includes money advice, digital skills support, housing advice, intensive housing management support, affordable banking and ethical lending, benefits advice and better off calculations, education and training and towards work support.

We liaise closely with the Department of Works & Pensions (DWP) to ensure that the customers claim for Universal Credit is accurate and up to date. This service will be extended further from 1 September when the DWP will refer customers who need personal budgeting support into this service.

- 1.4 The DHP component is funded by a grant from Central Government which in 2018/19 was £625,661 and in 2019/20 is £525,737, a reduction of £99,924 (16%). Such a reduction needs to be reflected in the award criteria of the SDA Policy going forward.
- 1.5 The funding for each financial year is announced in the last two months of the previous financial year. With such late notification, the consultation requirement has made it very difficult to respond quickly to changes in the grant allocation. It follows that future versions of the SDA Policy must be sufficiently flexible to deal more easily with changes to future allocations from Central Government.
- 1.6 Consulting on the proposed change will enable the Council to make informed decisions on policy and services, improving accountability to citizens, stakeholders and partners, whilst demonstrating our commitment to carrying out consultation that is targeted at and easily accessible to those with a clear interest in the Policy.

Recommendations

- 2.1 To approve the consultation arrangements and the specified area to be consulted on as set out in paragraph 4.1 of this report.
- 2.2 To delegate authority to the Strategic Director of Corporate Resources in consultation with the Cabinet Member for Finance and Procurement to:
 - Finalise and approve the arrangements to manage the consultation including the detail of the consultation documentation;
 - Go out to public consultation on the proposed change;
 - Collate, analyse and present final proposals to be put forward for adoption by the Council.
- 2.3 To note the proposed change to the local guidance used in the administration of the SDA Policy.

Reasons

- 3.1 To ensure that the Scheme remains affordable for the Council and operates within the grant funding from Central Government.
- 3.2 To respond more promptly to changes in Central Government grant funding avoiding the potential for over and under spending.
- 3.3 To be fully informed about the way the Scheme is administered to ensure expenditure is aligned to Central Government funding.

Supporting information

- 4.1 The DHP grant for 2019/20 is £525,737 a reduction of £99,924 (16%) on the grant for 2018/19. To ensure that the Council's Scheme is aligned to Central Government funding the following proposed change to be consulted on is:

- The removal of a second three month award in any one financial year.

This change is forecast to save £60,000 per financial year and will impact customers from 1 September 2020.

In 2018-19 1,275 DHP awards were made, of which 14% (176) second awards of three months were made, of which 99 were from Derby Homes' tenants. With final Cabinet approval planned to be sought in January 2020 there are eight months before the potential changes are implemented in September 2020 to help prepare customers and stakeholders for this change.

Within the SDA Policy there are claimants who we treat as being in "Priority Groups", these are:

- Foster Carers;
- Carers;
- Households where substantial adaptations have been undertaken to meet the disability needs of a household member;
- Households with a child who is unable to share a bedroom due to disability, and where particular criteria apply.

Claimants in Priority Groups can receive awards for up to 12 months in each financial year. It is not proposed to change this element of the Policy.

- 4.2 Delegating authority to the Strategic Director of Corporate Resources in consultation with the Cabinet Member for Finance and Procurement will ensure operational matters are progressed in a timely manner with the aim of presenting final proposals to Cabinet in January 2020.
- 4.3 Currently, local guidance includes a taper, meaning that those customers whose income is slightly above their expenditure can receive a reduced award. It is proposed that this taper is removed from local guidance for all applications from 1 April 2020 onwards, meaning that people who apply whose income is slightly higher than expenditure will no longer receive an award. Early indications suggest a reduction to the awards of around £40,000.
- 4.4 The proposed consultation timeline is:

Task	Time frame
Cabinet to approve	11 September 2019
Public consultation opens (6 weeks)	23 September 2019
Public consultation ends	3 November 2019
Cabinet decision	15 January 2020

- 4.5 The full consultation for the proposed change would run for six weeks and would be mainly done online, which is the format in which SDA claims are made and processed. Reasonable adjustments will be made for disabled people and those unable to engage with us online to access the consultation, using alternative means, with details of what those alternative means are also being made available as part of the consultation process.
- 4.6 The proposed consultation time of six weeks is a shorter timespan than normal for the Council. This is because, due to the relatively small numbers of households that we expect to be affected by the proposed change, we would be able to conduct a particularly focussed and targeted communications campaign towards those people. The purpose of this would be to make them aware of the proposed change and encourage them to take part in the consultation. Activities to target communications about the consultation would include:
- (a) Writing to as many people as possible who claimed a second DHP award last year;
 - (b) Writing to as many people as possible who successfully receive a second award this year, up to the last week of the consultation period. This would be done between 1 September 2019 (the first date that claimants might claim a second award) and 28 October 2019 (the beginning of the final week of consultation).
 - (c) Raising awareness of the consultation with the main Registered Social Landlords (RSLs) in the city, such as Derby Homes, Metropolitan and Derwent Living; advice agencies such as the Citizen's Advice and stakeholders such as the Strategic Housing Group and the RSL Liaison Group.

These activities would be in addition to the usual communications undertaken during a consultation, such as publicising it on Derby Newsroom, social media and to other interested parties.

- 4.7 Alongside the proposed consultation the Council will also undertake an Equalities Impact Assessment to further inform decision making and any proposed Policy changes. The consultation findings will also be used to inform the final Equality Impact Assessment.

Public/stakeholder engagement

- 5.1 This section will be completed after the consultation has run and the findings known.

Other options

- 6.1 Do not change the SDA Policy and:

- Find alternative funding to address the £99,924 grant reduction, or
- Accept the overspend.

- 6.2 Make other changes to the SDA Policy, for example shorten the original award.

Adopting this approach would affect more households across the city, in 2018/19 of 1,275 awards made; 86% (1,099) were first time awards.

Financial and value for money issues

- 7.1 Central Government funding has reduced by £99,924 for the 2019/20 financial year. The changes to the SDA Policy and local guidance set out in the report will deliver a reduction in expenditure of circa £100,000 and will therefore align the SDA Policy to Central Government funding.

Legal implications

- 8.1 The principles of effective consultation require that:
- Consultation must be at a stage when proposals are still at a formative stage;
 - The proposer must give sufficient reasons for it so as to 'permit intelligent consideration and response';
 - Adequate time must be given for consideration and response;
 - The product of consultation 'must be conscientiously taken into account in finalising any statutory proposals.'
- 8.2 It is therefore essential that the consultation exercise is conducted in a comprehensive way and considered fully before a final decision is made by Cabinet in January 2020. The report to Cabinet must include the outcome of the exercise and the justifications for the decisions made, in light of those outcomes. While six weeks amounts to a departure of established consultation principles, the targeted nature of the proposal set out at paragraph 4.6 and its focus on the small cohort of known stakeholders would appear to be a reasonable compromise justifying that departure.
- 8.3 Similarly, Cabinet must have available to it when it makes its final decision on any necessary changes an Equality Impact Assessment that demonstrates the extent to which recipients who fall into the statutorily defined equality strands and who may be impacted by the proposal have had their interests taken account of, so far as it is reasonably possible to do so.

Other significant implications

Equalities implications

- 9.1 The Council's Equality Hubs and Forums will be consulted with and an Equalities Impact Assessment will be done.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal	20 August 2019
	Toni Nash, Head of Finance	21 August 2019
Finance		
Service Director(s)	Paul Simpson, Strategic Director of Corporate Resources	
Report sponsor	Lynda Innocent, Head of Transformation and Business Applications	08 August 2019
	Liz Moore, Head of HR	09 August 2019
	Laura Bandell, Communications Officer	16 August 2019
	Ann Webster, Equality and Diversity Lead	16 August 2019
Other(s)		

Background papers:

List of appendices: