

# Y Pwyllgor Cyfrifon Cyhoeddus

---

Lleoliad:  
Ystafell Bwyllgora 3 – Senedd

---

Dyddiad:  
Dydd Mawrth, 7 Gorffennaf 2015

---

Amser:  
09.00

---

Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



I gael rhagor o wybodaeth, cysylltwch â:

**Michael Kay**

Clerc y Pwyllgor

0300 200 6565

[SeneddArchwilio@Cynulliad.Cymru](mailto:SeneddArchwilio@Cynulliad.Cymru)

---

## Agenda

---

### 1 Cyflwyniadau, ymddiheuriadau a dirprwyon (09:00)

### 2 Buddsoddiad Llywodraeth Cymru yn Seilwaith Band Eang y

**Genhedlaeth Nesaf: Sesiwn dystiolaeth 2 (09:00–09:50)** (Tudalennau 1 – 20)

PAC(4)–20–15 Papur 1

Briff Swyddfa Archwilio Cymru

James Price – Dirprwy Ysgrifennydd Parhaol, Grŵp yr Economi, Sgiliau a Chyfoeth Naturiol, Llywodraeth Cymru

Simon Jones – Cyfarwyddwr, Cyllid a Pherfformiad, Grŵp yr Economi, Sgiliau a Chyfoeth Naturiol, Llywodraeth Cymru

### 3 Papurau i'w nodi (09:50–10:00) (Tudalennau 21 – 23)

Trefniadau Cyflenwi ar gyfer Absenoldeb Athrawon: Llythyr gan Owen Evans, Cyfarwyddwr Cyffredinol yr Adran Addysg a Sgiliau (29 Mehefin 2015) (Tudalennau 24 – 25)

**Diwygio Lles: Dogfen Bolisi Taliadau Tai Dewisol Cymru Gyfan (Tudalennau 26 – 90)**

**4 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y busnes a ganlyn: (10:00)**

Eitemau 5, 6 a 7, a'r cyfarfod ar 14 Gorffennaf 2015

**5 Buddsoddiad Llywodraeth Cymru yn Seilwaith Band Eang y Genhedlaeth Nesaf: Trafod y dystiolaeth a ddaeth i law (10:00–10:15)**

**6 Ymdrin â'r Heriau Ariannol sy'n Wynebu Llywodraeth Leol yng Nghymru: Trafod yr ohebiaeth. (10:15–10:30) (Tudalennau 91 – 108)**

PAC(4)–20–15 Papur 2

PAC(4)–20–15 Papur 3

PAC(4)–20–15 Papur 4

**7**

**Blaenraglen waith (10:30 – 11:00) (Tudalennau 109 – 143)**

PAC(4)–20–15 Papur 5

PAC(4)–20–15 Papur 6

Grwp yr Economi, Sgiliau a Chyfoeth Naturiol  
Economy, Skills and Natural Resources Group

Dirprwy Ysgrifennydd Parhaol • Deputy Permanent Secretary

Darren Millar AM  
Chair  
Public Accounts Committee



Llywodraeth Cymru  
Welsh Government

1 July 2015

Dear Mr Millar

**AGW Report – Welsh Government Investment in Next Generation Broadband Infrastructure**

Further to my letter of 1 June 2015 regarding the Auditor General for Wales's report in to Welsh Government investment in next generation broadband infrastructure please find enclosed a more detailed response as requested by the committee.

Obviously a great deal of more detailed work is required to address all of the points raised in the report but I hope the attached provides a useful overview of what is planned.

I look forward to appearing before the committee on 7 July.

Yours sincerely

**James Price**



## **Auditor General for Wales: Welsh Government investment in next generation broadband infrastructure**

### **Welsh Government response**

#### **To improve communication about the local rollout of next generation broadband**

The report highlights the review undertaken last year which has set the direction for communications and marketing activity through to March 2016. As outlined in the report this very much puts householders at the centre of activity and is focused on encouraging take-up and providing information about where and when the roll-out will happen.

Improvements to the way roll-out information is communicated are already in hand. In particular the information on the where and when checker on the website will be amended so that it gives visitors to the site information on when work to enable their premises will be complete. At present it gives information on when work will start in a telephone exchange area.

All local authorities in Wales have a dedicated member of the BT marketing team as a liaison point. The BT and Welsh Government marketing teams meet fortnightly to review progress and to plan ahead.

In addition further research is planned to help inform future communications activity, an essential part of this will be to understand what further information would be helpful for residents and businesses.

#### **To ensure reaching contractual targets**

There are now 9,900 premises capable of receiving 100Mbps and above. Current plans indicate around 87,000 of the c730,000 premises due to be given access to superfast broadband as a result of the Superfast Cymru project will receive Fibre to the Premises technology once the roll-out is complete.

In addition BT intend to make their Fibre on Demand product, that provides broadband speeds in excess of 100Mbps, available to all premises able to receive fast fibre broadband as a result of Superfast Cymru.

Depending on location the additional cost of providing Fibre on Demand may be wholly or partially covered by either the UK Government broadband connection vouchers or if the premises are in Enterprise Zones then the Welsh Government Ultrafast Connectivity Voucher will cover all or some of the costs. It should be borne in mind that the demand for ultrafast speeds of 100Mbps or above are likely to come in the vast majority of cases from businesses rather than residential premises.

## **To monitor and support the take-up of next generation broadband**

Setting a take-up target for superfast broadband is complex, take-up is influenced by a wide range of factors, such as cost, new developments in content and technology etc., most of which are beyond the control of the project or the Welsh Government.

However, there are good reasons for securing take-up not least the positive effects it will have on people's lives. In addition the clawback mechanism within the contract will result in funding flowing into an investment pot for re-investment in expanding and enhancing digital infrastructure across Wales.

The Welsh Government is using the latest research available to develop communications and marketing plans for the range of digital infrastructure schemes and interventions available, for example Superfast Cymru, Access Broadband Cymru and the Ultrafast Connectivity vouchers. They will be designed to help drive take-up, help businesses and consumers understand the benefits of superfast broadband, the costs, how to get a superfast service and to tackle the myths around availability.

Part of the process for developing the communications and marketing plans is to undertake research to identify trends in consumer take-up, barriers to take-up and how superfast broadband is being used in Wales.

Currently Ofcom carry out research looking at international data which they publish and share with stakeholder groups. This provides a useful comparison both across the UK and with other competitor countries.

In addition business use will be tracked by the research and intelligence function set up as part of the superfast broadband business exploitation programme in development. This will be led by Cardiff University.

## **To improve effectiveness of the Access Broadband Cymru scheme**

The Welsh Government is currently developing a new scheme to provide access to superfast broadband to all premises across Wales no matter where located. The new scheme is likely to build on the success of the Access Broadband Cymru scheme. As described above the new scheme will be marketed as part of a range of measures available to homes and businesses across Wales.

## **To improve the delivery of the full benefits of the public investment**

Helping consumers to understand the benefits of superfast broadband is a central part of the current communications and marketing activity and will in all likelihood continue to be a key part of the revised communications and marketing approach being developed. Until the development work has been completed it is not possible to say exactly what this will entail.

A benefits management strategy is in development that will capture a range of benefits both to consumers and society, and to capture the benefits resulting from the national business exploitation programme.

**To learn the lessons from the Welsh Government's management of the planning and procurement of the Superfast Cymru contract**

The project team will carry out a number of lessons learned reviews, for example for the EU as part of their project completion processes. These will be fed into the corporate lesson learned framework for programme and project management.

Officials will work with Value Wales to ensure that the procurement lessons are identified and disseminated across the procurement profession within the Welsh Government.

Welsh Government will share the lessons with contract and procurement professionals from across Welsh Government and the wider public sector to raise awareness of the approach taken under the Superfast Cymru project.

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon

## Y Pwyllgor Cyfrifon Cyhoeddus

---

Lleoliad: **Ystafell Bwyllgora 3 – Senedd**

Dyddiad: **Dydd Mawrth, 30 Mehefin 2015**

Amser: **09. – 11.00**

Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



Gellir gwyllo'r cyfarfod ar [Senedd TV](http://senedd.tv) yn:

<http://senedd.tv/cy/2926>

---

### Cofnodion Cryno:

#### Aelodau'r Cynulliad:

**Darren Millar AC (Cadeirydd)**  
**Mohammad Asghar (Oscar) AC**  
**Jocelyn Davies AC**  
**Mike Hedges AC**  
**Sandy Mewies AC**  
**Julie Morgan AC**  
**Jenny Rathbone AC**  
**Aled Roberts AC**

---

#### Tystion:

**Ann Beynon, BT Cymru**  
**Ed Hunt, BT Cymru**

---

#### Staff y Pwyllgor:

**Michael Kay (Clerc)**  
**Claire Griffiths (Dirprwy Clerc)**  
**Joanest Varney-Jackson (Cynghorydd Cyfreithiol)**  
**Anne Beegan (Swyddfa Archwilio Cymru))**  
**Sophie Knott (Swyddfa Archwilio Cymru))**  
**Jeremy Morgan (Swyddfa Archwilio Cymru))**  
**Matthew Mortlock (Swyddfa Archwilio Cymru))**  
**Huw Vaughan Thomas (Archwilydd Cyffredinol Cymru))**  
**Dave Thomas (Swyddfa Archwilio Cymru))**

---



---

## **TRAWSGRIFIAD**

Gweld [trawsgriadiad o'r cyfarfod](#).

### **1 Cyflwyniad, ymddiheuriadau a dirprwyon**

1.1 Croesawodd y Cadeirydd yr Aelodau i'r cyfarfod.

1.2 Ni chafwyd ymddiheuriadau.

### **2 Papurau i'w nodi**

2.1 Cafodd y papurau eu nodi.

2.1 Trefniadau Llywodraethu Bwrdd Iechyd Prifysgol Betsi Cadwaladr: Llythyr gan Archwilydd Cyffredinol Cymru (17 Mehefin 2015)

### **3 Welsh Government Investment in Next Generation Broadband Infrastructure: Evidence Session 1**

### **4 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y canlynol:**

4.1 Derbyniwyd y cynnig.

### **5 Buddsoddiad Llywodraeth Cymru yn Seilwaith Band Eang y Genhedlaeth Nesaf: Trafod y dystiolaeth a gafwyd**

5.1 Trafododd y Pwyllgor y dystiolaeth a ddaeth i law.

### **6 Gwasanaethau Orthopedig: Gwybodaeth gan Archwilydd Cyffredinol Cymru**

6.1 Cyflwynodd yr Archwilydd Cyffredinol wybodaeth am yr adroddiad i'r Pwyllgor. Nododd yr Aelodau fod ymateb Llywodraeth Cymru i fod ar gael ar gyfer y cyfarfod ar 14 Gorffennaf, pan fyddai'r Aelodau'n ystyried y mater hwn eto.

### **7 Ymdrin â'r Heriau Ariannol sy'n wynebu Llywodraeth Leol yng Nghymru: Gohebiaeth gan Lywodraeth Cymru**

7.1 Dywedodd yr Archwilydd Cyffredinol wrth y Pwyllgor ei fod yn bwriadu ysgrifennu at y Cadeirydd i roi sylwadau ar y llythyr gan y Cyfarwyddwr Cyffredinol dros Lywodraeth Leol a Chymunedau.

7.2 Dywedodd y Cadeirydd y bydd y Pwyllgor yn ystyried y mater hwn eto yn y cyfarfod nesaf.

## **8 Gwasanaeth Awyr oddi mewn i Gymru – Caerdydd i Ynys Môn: Trafod yr adroddiad drafft**

8.1 Trafododd yr Aelodau yr adroddiad drafft. Oherwydd bod amser yn brin, nid oedd yn bosibl iddynt ystyried yr adroddiad yn ei gyfanrwydd, a chytunwyd i ystyried yr eitem yn y cyfarfod nesaf.

Owen Evans  
Cyfarwyddwr Cyffredinol • Director General

Yr Adran Addysg a Sgiliau  
Department for Education and Skills



Llywodraeth Cymru  
Welsh Government

29 June 2015

Mr Darren Millar AM  
Chair  
Public Accounts Committee  
National Assembly for Wales

Dear Darren,

Further to your letter of 21 May 2015 may I first apologise for the slight delay in this response.

You have asked me to specify where in regulations it states that an individual governor cannot be required to be a designated lead for a specific issue. I think there may have been some misunderstanding which I would like to clarify.

Governing bodies are corporate bodies in law with responsibility as a whole for discharging all of their functions. While the existing law is flexible enough to allow a governing body to delegate most of its functions and responsibilities if it wishes, there are some matters which are expressly excluded from delegation, or which may only be delegated to a committee rather than an individual. Regulation 50 of the Government of Maintained Schools (Wales) Regulations 2005 sets out issues which only a governing body as a whole must consider, and regulation 51 sets out issues which may only be delegated to committees of a governing body. One of the issues which must be delegated to a committee rather than an individual in regulation 51(2)(b) of the 2005 Regulations is the function of staff discipline and dismissal which is a complex HR matter. Regulation 55 of the 2005 Regulations sets out the requirement for a governing body to have a staff disciplinary and dismissal committee.

It must also be kept in mind that governors are ordinary members of the public who volunteer their services. Many join governing bodies to work as a team to help their school and may not have the necessary skills to be given responsibility for a specific matter. You particularly wish to see a governor with responsibility for HR matters and staff absences. HR issues are confidential and complex matters which require specific expertise and knowledge of employment law and policies. Many individual governors may not have the skills or confidence to be responsible for such high profile and difficult matters. That is why governing bodies are advised to seek expert advice from the local authority.



For these reasons I maintain my current position that we would not seek to alter legislation to require a governing body to identify a single governor who would have responsibility for HR and staff absence matters.

I do, however, note the intention behind the report's recommendation and as such the guidance on *Effective Management of Workforce Attendance* to be published in July 2015 will suggest that governing bodies consider designating the responsibility to lead on absence management issues to one of their members or a sub-committee.

I hope you find this helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Owen', followed by a period.

**Owen Evans**

## Eitem 3.2



Llywodraeth Cymru  
Welsh Government

Darren Millar AM  
Chair  
Public Accounts Committee  
National Assembly for Wales  
Ty Hywel  
Cardiff Bay  
Cardiff  
CF99 1NA

1 July 2015

Dear Chair

### **Auditor General for Wales Report – Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales**

June Milligan has asked me to reply to and thank you for your letter of 30 June regarding the pan-Wales Discretionary Housing Payments policy documents. The 64 page document to which you refer can be accessed via the Powys County Council website:-

[http://www.powys.gov.uk/en/democracy/council-committees-and-meetings/%3Fmembs2%255Bformname%255D%3Ddocuments\\_form%26membs2%255Baction%255D%3Dview\\_doc%26membs2%255Bfilename%255D%3Drep\\_2015-03-24c1\\_68b\\_en.pdf&rct=j&frm=1&q=&esrc=s&sa=U&ei=lqGSVcPNFe6U7Qactp2QBg&ved=0CBoQFjAB&usq=AFQjCNFbKqPbDduPPmW2gSyUOin5ZmP8aQ](http://www.powys.gov.uk/en/democracy/council-committees-and-meetings/%3Fmembs2%255Bformname%255D%3Ddocuments_form%26membs2%255Baction%255D%3Dview_doc%26membs2%255Bfilename%255D%3Drep_2015-03-24c1_68b_en.pdf&rct=j&frm=1&q=&esrc=s&sa=U&ei=lqGSVcPNFe6U7Qactp2QBg&ved=0CBoQFjAB&usq=AFQjCNFbKqPbDduPPmW2gSyUOin5ZmP8aQ)

I hope you find this information helpful.

Yours sincerely

**JOHN HOWELLS**

Director of Housing and Regeneration




Parc Cathays, Caerdydd CF10 3NQ  
Cathays Park, Cardiff CF10 3NQ  
Ffôn / Tel: 029 2082 5445  
GTN / MTS: 7-1208-5445  
Ffacs / Fax: 029 2082 5119  
Gwefan • website: [www.wales.gov.uk](http://www.wales.gov.uk)

---

# PAN-WALES DISCRETIONARY HOUSING PAYMENTS SCHEME

DECEMBER 2014



**Powys Council  
Discretionary Housing  
Payment Policy**

**DRAFT v2**





The Pan-Wales Discretionary Housing Payments project arose from concerns that local authorities can vary considerably both in the way they decide who should get a DHP award and the way they manage the budget.

Working with 20 of the 22 Welsh councils, the Welfare Reform Club has developed the project by exploring the case for more consistency in the administration of DHPs, whilst recognising that the nature of the scheme is essentially discretionary. The project was sponsored by the Welsh Local Government Association and was supported by the Welsh Government.

During the course of the project, we have developed the following products:

**Policy framework** – this sets out an approach to deciding who should get a DHP award. It covers decisions within the remit of the council and provides a platform for the exercise of discretion. It includes a matrix for deciding priorities. By following the policy framework, councils will have a consistent approach to the financial assessment and general policy considerations that are necessary parts of the scheme. They will also have a framework for deciding which sets of circumstances warrant high, medium and low priority for awards, the detail of which can be varied to suit local circumstances.

**Model communications strategy** – this provides a suggested framework for ensuring that potential applicants, advice agencies and other interested parties are aware of the DHP scheme, whilst not raising expectations; and it also suggest ways of gearing publicity about DHPs towards those who are likely to have highest priority for an award. In addition, this product contains a short guide to DHPs aimed at council members, and information sheets about the treatment of disability income and non-dependant income.

The Welfare Reform Club would like to thank staff from the following authorities who have helped with the development of the products: Anglesey, Blaenau Gwent, Bridgend, Caerphilly, Carmarthenshire, Ceredigion, Conwy, Denbighshire, Flintshire, Gwynedd, Merthyr Tydfil, Newport, Pembrokeshire, Powys, Rhondda-Cynon-Taff, Swansea, Torfaen and Monmouthshire, Vale of Glamorgan, Wrexham.

The Welfare Reform Club would also like to thanks Paula Holland from the WLGA and Karl Thomas from the Welsh Government for their valuable contributions.

## CONTENTS

Policy framework -----	4
Communications strategy-----	35
Model application form -----	45
Application form booklet (not including extra forms)-----	61
Consultation questions	64

DRAFT



## POLICY FRAMEWORK

### INTRODUCTION

1. This policy framework sets out an agreed approach to deciding who should get a Discretionary Housing Payment (DHP) award. It is designed to make discretionary decision-making more systematic, consistent and transparent. However, it is definitely not intended to impose a one-size-fits-all solution. The exercise of discretion remains at the heart of the scheme.
2. DHPs are paid from a cash-limited budget and are intended to help people meet housing costs, usually where there is a shortfall between their Housing Benefit (or housing element of Universal Credit) and their rent.
3. It is not possible (and not the intention) to make an award in every case where there is such a shortfall. So this policy framework is a way of helping to decide priorities for payment when demand exceeds supply (as will usually be the case). Recent research shows that the DHP budget provided by DWP is about a fifth of the estimated annual sum of Housing Benefit (HB) shortfalls.<sup>1</sup>
4. Given that DHPs will inevitably have to be targeted at those who need them most, it is of course important to check at the outset that all DHP applicants are receiving their full entitlement to HB. It is clearly wasteful to award a DHP in circumstances where HB could be paid instead. Although this is an obvious point, some HB decisions are not clear cut, for example deciding the number of bedrooms.

### KEY POLICY OBJECTIVES

5. In making decisions about priorities, there are some overall objectives:
  - To give all applicants as fair and consistent a decision as possible.
  - To make decisions that are designed to improve outcomes for people.
  - To spend the budget and keep to a minimum any in-year changes to priorities (which may be needed to avoid overspends or underspends).
  - Generally to give greater priority to:
    - helping those who are making efforts to help themselves;

---

<sup>1</sup> Research by the New Policy Institute for Oxfam estimates that 1.3m households (780,000 of whom are in receipt of a means-tested DWP benefit) face a shortfall in their Housing Benefit averaging £12.94 per week. This amounts to £875m a year (£525m for those receiving DWP benefits) compared with a total DHP budget for 2013/14 of £180m. On this basis, DHPs can at best help around 1:3 of the poorest families and 1:5 of all those with a shortfall. [oxfam.org.uk/publications](http://oxfam.org.uk/publications)

- supporting those have done all they can to manage the situation they are in, and can't realistically do any more;
- preventing negative outcomes such as homelessness which are likely to involve further hardship for the household as well as additional and avoidable costs for the council.

## **POLICY FOR DECIDING PRIORITIES**

6. In order to meet these objectives, it is insufficient to simply make awards to certain broad *categories* of people (such as lone parents and disabled people). It is necessary to define which people in these and other categories should, as a rule, have the most priority.
7. The critical factors in deciding priorities are:
  - The financial circumstances of the household;
  - The priority group that the household is in;
  - The extent to which members of the household are able, and willing, to manage the situation they are in, or can't be reasonably expected to do more;
  - The wider financial consequences of not making an award.

All of these factors are covered in more detail in the following paragraphs.

### Stage 1: Financial assessment

8. For all applications, a financial assessment is made, comparing income with expenditure. This is as simple as possible but sufficient to make a reasonable judgement. All income and outgoings are considered and any capital taken into account. ***No source of income is disregarded and all expenditure is taken into consideration.*** (See Annex 1 for an explanation of why disability income is included.) If there are non-dependants in the household, the income they contribute to the household is normally included in the financial assessment, though it is accepted that household expenditure on food and heating will be higher. (See Annex 2 for a fuller description of policy relating to non-dependants.) The fundamental principle is that help should go to those who have no other means of meeting the need.
9. Therefore, the first test is whether or not a household's total commitments are equal to or exceed their income. If there is income available, or could be made available, sufficient to meet the shortfall in rent or other housing need, a DHP application will not succeed unless or until circumstances change.

10. If there is some income available, but insufficient to meet the shortfall in rent, the application for a DHP is processed and, if other criteria are met and it is decided to make an award, the available income is deducted from the award.
11. Annex 3 contains a proposed list of income and outgoings headings
12. The test is slightly different in the case of lump-sum payments (e.g. rent deposits, rent in advance and removal costs).<sup>2</sup> The test is in two parts: first, are there any savings that can meet the need? If not, is income at or below expenditure, or not significantly above, and has the applicant no prospect of saving the amount needed?

### Stage 2: Priority groups

13. Having applied the financial test, the next stage is to decide the priority to be given to particular circumstances a household may be experiencing. To make the process as simple as possible, the particular circumstances are put into five groups, A-E, in descending order of priority. See Annex 4 for illustrative groupings. It is for local discretion to decide who goes into each group. Whilst there is likely to be a good deal of consistency across councils, there will be differences reflecting local circumstances. For example, there may be special considerations for rural areas.

### Stage 3: Ability to manage the situation

14. The next stage is to look at general policy considerations. DHPs can often be most effectively used as a temporary measure whilst a household seeks a more long-term solution to the situation they are in. Where this is possible, higher priority is given to those who are actively taking steps themselves, for example those with an LHA shortfall looking for cheaper accommodation or those with spare rooms who are arranging to move or take in a lodger.
15. However, increasingly, there are also some situations where a DHP may be needed for a longer period. There will be some households who cannot realistically alleviate the situation they are in by taking action themselves. For example, a household with a severely disabled member unable to work or take in a lodger and who are already managing the household budget as effectively as possible. Such households are also given higher priority.
16. There are also households who are not currently helping themselves in the way described above but who are prepared to start doing so or are partially achieving

---

<sup>2</sup> Some councils may decide not to make awards for rent deposits because an alternative scheme is available locally which meets the need.

some things to help towards the situation . In these cases, the DHP may be conditional on certain action being taken and the award may be of shorter duration.

#### Stage 4: Avoid further cost (and hardship)

17. DHPs can be used imaginatively to help prevent further hardship such as eviction and the associated costs to the council of dealing with homelessness. The risk of losing a tenancy could arise for a number of reasons but no judgement is made about the factors giving rise to the problem. This criterion is simply about avoiding further cost and hardship.
18. However, it is unlikely to be viable to pay DHPs indefinitely in these circumstances. If a household is threatened with eviction, the situation cannot be left to continue indefinitely. A solution needs to be found, whether it is the provision of alternative accommodation or some action by the household to reduce arrears. The highest priority under this criterion is applied when there is a solution in sight.

#### **PRIORITY SETTING MATRIX**

19. In order to help with deciding priorities, a simple matrix is constructed, which combines priority groups with the policy considerations just described above. Each applicant is given a baseline score based on the priority group, A-E, they are in – the baseline scores are 12/9/6/3/0.
20. Additional points depend upon the extent to which the general policy considerations (stages 3 and 4 above) are met, and range from 0 to 9. The highest points (9) are awarded to those who are a) actively trying to manage the situation they are in, or b) can't reasonably do any more to help themselves, or c) where paying a DHP avoids further cost to the council (and hardship to the applicant), particularly where a solution is possible. 6 points are awarded where these considerations are met in part and, if none of these considerations is met, no additional points are scored. Only one of the general policy considerations needs to be met to earn the highest score. No additional points are scored for meeting more than one consideration: this allows a fairly broad range of circumstances to be given a high or highest priority rating.
21. It is important not to apply the matrix rigidly – it should be helpful in dealing with most applications *but there will always be individual cases that will fall outside the guidelines but which justify an award.*

Policy consideration and additional points		Priority groups and total points				
		A	B	C	D	E
Ability to manage the situation – doing everything possible or cannot reasonably be expected to do any more.	9	21	18	15	12	9
Ability to manage – commitment made / partial managing	6	18	15	12	9	6
Ability to manage – not doing anything (but could do)	0	12	9	6	3	0
Avoid further cost/hardship – solution in sight	9	21	18	15	12	9
Avoid further cost/hardship – solution possible in time	6	18	15	12	9	6
Avoid further cost/hardship – no solution	0	12	9	6	3	0

Table of Scores:

21	highest priority
18	high
15	medium to high
12	medium
9	medium to low
6	low
3	lowest

22. The matrix can be used in one of two ways:

- (a) during the assessment stage as a guide to deciding an application in the first place, or
- (b) as a check list after the decision has been made, as a way of helping to ensure that decisions are as consistent as possible.

23. Each year Income and Awards Service will set the appropriate level that must be scored by applications in order to get an Award. This will make maximum use of the fund level from the DWP, provide flexibility and also ensure consistency of approach.

## CONDITIONALITY

24. Most of the highest priority awards are paid unconditionally, either because there is not likely to be any short-term change in the circumstances giving rise to the DHP, or the household is already doing everything possible to manage the situation they are in.

25. All other awards are subject to at least some conditionality, designed to encourage the applicant to resolve the shortfall in rent without access to DHPs. The extent of the conditionality depends on the circumstances – in some cases it is relatively light touch, in others it is very strict. In many cases, conditionality will involve signposting to support and advice agencies.

### **LENGTH OF AWARD**

26. The length of the award is related closely to the level of conditionality attached. Where no conditionality is attached to an award, i.e. a longer-term need, it is usually desirable to make an award up to a maximum of 52 weeks (or more) as the situation giving rise to the DHP is unlikely to change. In these circumstances, short-duration awards simply lead to unnecessary repeat awards. In other cases, where conditionality is applied, the duration of award typically varies between 6 and 26 weeks depending on the length of time needed to meet the conditions successfully. There is no standard period for an award.

### **REPEAT AWARDS/EXTENSIONS**

27. Again, conditionality is the key factor in deciding whether a repeat award should be made. There are normally no restrictions on repeat awards where no conditionality has been set. In these instances, the applicant is asked about any changes that have occurred rather than be expected to complete a new application form.

28. Where there are conditions attached to the award, the award is usually terminated after the initial award period. If the applicant then applies for a further award, this is made only if the applicant is meeting the conditions of the initial award. Where a further award is made, it may be a partial award (see below).

29. An award may be extended for a short period, without the need for a new application, in certain circumstances:

- Where a request has been made by support workers for a valid reason;
- When awaiting a change of events (e.g. house move, birth of child);
- When further time is required to meet the conditions attached to an award.

### **PARTIAL AWARDS**

30. The award is usually for a weekly amount which will meet in full the shortfall between the rent and Housing Benefit payable. However, there may be occasions when it will be more appropriate to make a partial award. Partial awards may be made where:

- Some income is available to the household (but not enough to pay the rent shortfall) , including situations where more income becomes available because debts are paid off;
- There is a deliberate policy to allow a household to adjust gradually to a new situation e.g. the benefit cap;
- Conditions have been attached to an award but the conditions have not been met fully or partially;
- At the discretion of the council in certain other circumstances (e.g. where there is an unreasonably high rent in private sector cases).

### **CHANGE OF CIRCUMSTANCES**

31. All applicants are expected to report changes of circumstances as they would for Housing Benefit. It is particularly important that applicants notify changes in income, expenditure patterns or the composition of the household. Most notifications of a change of circumstances are related to Housing Benefit in the first instance but, where a DHP is payable, they usually trigger the cancellation of the DHP award. This can be followed by a new application if appropriate.
32. Overpayments of DHPs are generally calculated and, where appropriate, an attempt made to recover them via sundry debts (private tenants) or the rent account (council tenants).

### **CONCLUSION**

33. This policy framework is not intended to fetter LAs discretion in matters of DHP decision making. In a discretionary scheme, there will always be some cases with special or unusual circumstances where a decision-maker will consider a DHP award justified. The advantage of a discretionary scheme is that, whatever policy framework is used, such awards can and should be made.
34. However, the framework does provide a structure for deciding who should be awarded DHPs. It is designed to achieve a reasonable amount of fairness and consistency both within the council and between those councils adopting it.

## DHP FOR HOUSEHOLDS CONTAINING A PERSON WITH A DISABILITY

### RATIONALE

Households containing a person with a disability will have increased income in the form of disability benefits (e.g. DLA, PIP or ESA [support group]) but will also incur increased expenditure due to the disability. It is proposed that the fairest way of assessing these households is to take account of **all** disability-related income together with all disability-related expenditure.

Research<sup>3</sup> has shown that in the majority of cases disability benefits do not cover the costs associated with disability<sup>4</sup>. This proposed method of DHP assessment is therefore fairer to applicants as actual disability expenditure is taken into account and not just an amount equivalent to the disability-related income the person receives. In effect, this will mean that households containing a person with a disability may find it easier to pass the financial assessment and be considered for a DHP award.

An explanatory sheet about why the authority is adopting this approach is attached at **appendix A**.

### ASSESSING DISABILITY INCOME

The *total* amount of disability-related income and expenditure will be required to assess an application. To avoid intrusive questioning regarding the disability, the council may wish to include sections on the standard DHP application form for related income and expenditure. Alternatively the form could state that disability expenditure should be included within general expenditure categories (e.g. household, services, transport, personal).

---

<sup>3</sup> Disabled People's Costs of Living, Noel Smith, Sue Middleton, Kate Ashton-Brooks, Lynne Cox and Barbara Dobson with Lorna Reith, JRF, 20 October 2004

Paying for the Additional Costs of Disability, Peter Large, Policy Studies Institute 1991  
Counting the Cost, Claudia Wood & Eugene Grant, Demos 2010

<sup>4</sup> Counting the Cost, Claudia Wood & Eugene Grant, Demos 2010, p36 "*the maximum benefit, levels meet only 28 per cent of costs incurred by those with low-medium needs, 30 per cent of costs incurred by those with fluctuating or intermittent needs, 35 per cent of costs associated with hearing and visual impairments, and 50 per cent of costs connected with high-medium needs.*"



The assessor would expect to see increased expenditure for those households containing a person with a disability of such a level that, in the majority of cases, it offset disability income received.

Guidelines for the percentage increase in expenditure for a single person, above that of all single people in the population, are shown in **appendix B**. Guidelines could be used by the assessor to indicate where additional expenditure would be expected.

No specific expenditure guidelines are available for those with mental illness. Expected expenditure would be dependent on the type of illness. Therefore the applicant, together with their support worker, would need to be interviewed. Where there is intellectual impairment there is likely to be increased expenditure to assist independent living.

Where an application does not appear to have included expense relating to the disability, or overall expenses are lower than would be expected for the disability, the council would usually ask the applicant specific questions to elicit information on expenditure. In most cases this will be through a conversation with the applicant, or their support worker, either face-to-face or by phone. To assist with this, a list of items that might incur increased expenditure is listed on **appendix C** and a list of targeted questions that could be asked of the applicant is shown at **appendix D**.

## DISABILITY RELATED INCOME AND DHPs – INFORMATION SHEET

### HOW DOES DISABILITY-RELATED INCOME AFFECT APPLICATIONS FOR A DHP?

To determine if a household is eligible for a DHP, the household expenses are deducted from the household income to determine if there is sufficient money left to meet rent charges.

If a member of the household receives a benefit because of a disability this amount is included in the income that is used to assess your application. From this amount household expenses are deducted. If a member of the household is disabled, all the additional expenses that need to be met because of the disability will be included.

So, although the disability benefit will increase the income taken into account, this will be offset by increased household expenditure which includes all disability-related expenses.

### WHY IS DISABILITY-RELATED INCOME AND EXPENDITURE TAKEN INTO ACCOUNT?

Disability is very individual and by taking account of actual income and expenditure this can reflect the specific costs of the disability.

Research has shown that for the majority of people living with a disability the costs are likely to be higher than the amount of disability benefits received. By including all income and expenditure it is possible to take account of any expenditure related to the disability that is above the amount received in disability benefits.

Therefore, taking all disability related income and expenditure into account enables the council to assist those facing the highest disability expenses and fairly reflects a household's circumstances.

### WHAT TYPE OF DISABILITY-RELATED INCOME IS TAKEN INTO ACCOUNT?

**All** disability-related income is taken into account. This includes Disability Living Allowance (care and mobility), Personal Independence Payments and ESA (support category).

### WHICH DISABILITY-RELATED EXPENSES ARE TAKEN INTO ACCOUNT?

All disability related expenses are taken into account. These can be direct costs (such as care, medical costs, braille literature) and indirect costs (such as increased heating, food or travel costs). It is not necessary to identify the portion of household service charges that are due to the applicant's disability. The council would expect these service charges to be higher in households containing a person with a disability.

## INCREASED EXPENDITURE DUE TO DISABILITY - GUIDELINES

Categorising additional expenditure for a person living with a disability is problematic, as all disability will be individual and result in individual needs.

The tables below are intended as guidelines only and can be used to signpost where additional costs are to be expected. No specific figures are available for those with mental illness but, where the illness fluctuates, the table for intermittent/fluctuating needs may be used as a guide where appropriate. For those with intellectual impairment, the amount of mobility and support required will determine if the table for severe or low needs is appropriate.

The figures are calculated using weekly amounts given in the JRF report “Disabled Persons Cost of Living”<sup>5</sup>, 2004. As the actual costs given in the report are now out of date, the tables show a calculated percentage of the average for all single persons of non-retired age.

The JRF is currently updating the report into the cost of living for disabled persons and expects to publish the findings by 2015.

Severe – Medium Needs (Requiring care for most of the day and night, limited mobility)	Multiplier of expected budget for all one person households (non-retired)	
	Disabled not incontinent (%)	Disabled incontinent (%)
Food and drinks	207	
Clothing and footwear	173	227
Housing, fuel and power <sup>6</sup>	174	
Household goods and services	421	437
Transport (excl insurance)	139	
Communication	338	
Recreation, culture, education	182	
Health	1500	1800
Miscellaneous goods and services <sup>7</sup>	206	

<sup>5</sup> Disabled People's Costs of Living, Noel Smith, Sue Middleton, Kate Ashton-Brooks, Lynne Cox and Barbara Dobson with Lorna Reith, Joseph Rowntree Foundation, 20 October 2004

<sup>6</sup> including net rent and maintenance

<sup>7</sup> Includes personal care and insurance, excludes personal assistance

<b>Intermittent – Fluctuating Needs</b> (Requiring some personal assistance, and/or intermittent mobility, intermittent level of independent living)	Cost as a percentage of expected budget for all one person households (non-retired)  (%)
Food and drinks	145
Clothing and footwear	118
Housing, fuel and power <sup>8</sup>	132
Household goods and services	95
Transport (excl insurance)	158
Communication	125
Recreation, culture, education	95
Health	1500
Miscellaneous goods and services <sup>9</sup>	100

<b>Low – Medium Needs</b> (Requiring some personal assistance, perhaps some mobility difficulty, some level of independent living)	Cost as a percentage of expected budget for all one person households (non-retired)  (%)
Food and drinks	152
Clothing and footwear	100
Housing, fuel and power <sup>10</sup>	132
Household goods and services	89
Transport (excl insurance)	105
Communication	138
Recreation, culture, education	125
Health	1500
Miscellaneous goods and services <sup>11</sup>	100

<sup>8</sup> including net rent and maintenance

<sup>9</sup> Includes personal care and insurance, excludes personal assistance

<sup>10</sup> including net rent and maintenance

<sup>11</sup> Includes personal care and insurance, excludes personal assistance

<b>Hearing Impairment</b>	Cost as a percentage of expected budget for all one person households (non-retired)
	(%)
Food and drinks	86
Clothing and footwear	118
Housing, fuel and power <sup>12</sup>	116
Household goods and services	58
Transport (excl insurance)	105
Communication	425
Recreation, culture, education	185
Health	1750
Miscellaneous goods and services <sup>13</sup>	100

<b>Visual Impairment</b>	Cost as a percentage of expected budget for all one person households (non-retired)
	(%)
Food and drinks	172
Clothing and footwear	145
Housing, fuel and power <sup>14</sup>	165
Household goods and services	116
Transport (excl insurance)	132
Communication	200
Recreation, culture, education	298
Health	100
Miscellaneous goods and services <sup>15</sup>	94

<sup>12</sup> including net rent and maintenance

<sup>13</sup> Includes personal care and insurance, excludes personal assistance

<sup>14</sup> including net rent and maintenance

<sup>15</sup> Includes personal care and insurance, excludes personal assistance

## NOTES TO THE TABLES

1. Increased expenditure on **personal assistance** is not included in these tables as this cost is not borne by those without a disability. An amount for personal assistance would be expected for those with mid-severe disability and severe visual impairment. Those with intermittent disability may need personal assistance for short periods.

2. The **Health** category includes health related products (e.g. incontinence products, bandages, dressings etc.) that fall outside those supplied by the NHS, plus any prescription costs. The multiplier for these items is large as the amount spent by households that do not contain a person with a disability is negligible therefore even a low level of expenditure by a household containing a person with a disability will produce a large multiplier.

3. **Miscellaneous expenditure** includes personal care (e.g. additional therapies and personal grooming). Where no specific therapy is required (outside that provided by the NHS) expenditure may be lower than those without a disability reflecting the difficulty faced in accessing personal care services (such as visiting a hairdresser).

4. No equivalent figures are available for the additional costs of people with mental health needs and learning disabilities.

## DISABILITY RELATED EXPENDITURE ITEMS

### PERSONAL ASSISTANCE

- Indirect employment costs for personal assistance; wages for statutory holidays, sick pay and maternity leave, employers' liability insurance.
- Administration regarding national insurance, tax, co-ordinating the PA rota.
- Costs for activities outside the home (paying for PA costs for tickets, transports etc.).
- Additional food for PA.
- Additional fuel to cover a separate, furnished bedroom is required for night time PAs.
- Additional laundry due to PA bed linen.
- Training costs related to the disability not covered by NHS/social services e.g. wheelchair, lip-reading, blind independence living, long-cane training (blind).

### FOOD

- Special diets.
- Balanced diet of high-quality produce, low in fat, and rich in fruit and vegetables.
- Additional costs of home entertainment due to difficulty accessing public facilities (pubs, restaurants) or travelling to family and friends.
- Food delivery charges.
- More ready-meals, prepared meals, takeaways.

### CLOTHING

- Additional clothing (due to spillages etc).
- Additional clothes due to incontinence.
- Specialised clothes for easy fastening.
- Specific tailoring for wheelchair clothing or for other disabilities where tailored clothing is required.
- Additional items to maintain body heat, such as bed socks, fleece body warmers and heat pads for hands.

### HOUSING AND POWER

- Constant warm temperature because of physical inactivity.
- Additional electricity due to disability (e.g. for charging batteries for powered wheelchairs, using hoists and other equipment, extra use of washing and tumble-drying machines, and extra power used by PAs).

- Additional water heating for hot baths for muscle relaxation.
- Additional water heating for additional personal cleaning and laundry.
- Paying for assistance for household maintenance (routine repairs, decorating, gardening, window cleaning, etc.).

#### HOUSEHOLD GOODS

- Adaptations and equipment required to support and enhance independence.
- Wheelchair insurance (breakdown cover, third-party liability, and fire and theft cover).
- Special light bulbs to provide a high level of lighting for hearing impaired (to assist with lip reading) and visually impaired (to maximise sight).
- Computer with internet access due to difficulty accessing public facilities.
- Increased costs associated with replacement of goods e.g. laundry due to increased washing and damaged goods due to visual impairment.

#### TRANSPORT

- Own vehicle, adapted as required.
- Additional insurance for assistant.
- Taxis.

#### RECREATION, COMMUNICATION AND SOCIAL ENGAGEMENT

- Additional costs of home entertainment (hobbies, books, games, satellite television) due to the increased amount of time spent at home.
- Additional costs of e-books and talking books for the visually impaired.
- Additional costs of holidays: care, insurance, specially adapted accommodation.
- Gifts to reciprocate for care/assistance.
- Increased phone bills due to isolation.
- Telecommunications for PA.
- Call-alarm system.

#### HEALTH AND PERSONAL CARE

- Regular, therapeutic or health treatments in addition to those provided by the NHS. These could be for pain-management, general health management, hydrotherapy, acupuncture, massage, chiropody, massage, physiotherapy.
- Higher budget for toiletries and cosmetics, to include products to aid relaxation.
- Incontinence pads and pants.
- Additional bandages, dressings etc not covered by the NHS.



INTERPRETER AND/OR COMMUNICATOR

DEBTS

- Debts due to capital costs of disability equipment.
- Debts for general household equipment due to long term inability to work.

DRAFT

---

## QUESTIONS TO ASCERTAIN DISABILITY EXPENDITURE

**Does your disability mean you need to pay for assistance, including payment to family and friends, for personal assistance or household tasks?**

Examples: personal care, gardening, housework, hairdressing, maintenance/decorating, interpreter/communicator.

**Do you need to pay for any additional healthcare that is not covered by the NHS?**

Examples: pain-management, general health management, hydrotherapy, acupuncture, massage, vitamin supplements, chiropody, massage, physiotherapy, therapy

**Do you regularly pay for education, training or social activities?**

Examples: disability club, equipment, training.

**Do you regularly spend extra on household items due to your disability?**

Examples: toiletries (e.g. tissues, toilet paper, talcum powder), medical supplies (bandages, cotton wool, incontinence items), cleaning products.

**Does your disability mean you have to spend more on washing clothes and household items either at home, at a laundry or through dry cleaning ?**

**Does your disability mean you have to spend extra on clothing?**

Examples: specially adapted clothing, frequent changes of clothing, additional warmth).

**Do you think you need to spend more because of wear and tear on household items than if you were not disabled?**

**Does your disability mean you spend more on food than if you were not disabled?**

Examples: special diet, cannot easily get to shops, delivery charges or reliance on convenience foods, eating disorders.

**Do you need additional heating because of your disability?**

**Do you have additional fuel costs, apart from heating, because of your disability?**

Examples: additional laundry, lighting, electric blanket, the amount of time spent at home.

**Do you need to have your own car because of your disability?**

**Does getting around cost you more?**

Examples: taxi charges, additional fuel charges, payment to friends.

**Do any adaptations that you have in your home require ongoing costs?**

Examples: debt costs, rental costs, replacement costs.

**Does any equipment that you may have to help you with your disability require ongoing costs?**

Examples: debt costs, rental costs, replacement costs.

**Do you think you have any additional telephone costs due to your disability?**

Examples: greater reliance on phones for contact, alarm call charges, calls to medical/care staff.

**Do you have any other additional costs due to your disability?**

Examples: call alarms, baby sitting / childcare, payment to helpers, additional insurances, specialised reading material (Braille books, talking books), additional costs related to mental health issues (manic episodes).

**NON-DEPENDANTS**

It is expected that non-dependants will contribute to household income and that this will be taken into account in assessing income for DHP purposes. However, it is accepted that this will not always be possible, particularly where the non-dependant falls within the exempt categories for Housing Benefit purposes.

It is proposed that, in most cases, household income should include the higher of either the actual amount contributed by the non-dependant, or the relevant HB non-dependant deduction.

However, there may be some exceptions to this:

- Where non-dependants are exempt for Housing Benefit purposes, any actual contribution that can be made should be taken into account.
- Where the non-dependant falls within the highest category of non-dependant deduction they would be expected to have sufficient income to contribute further to the household and therefore make up any household rental shortfall. In these cases, the DHP application would usually not proceed. However, if there are reasonable grounds for the non-dependant not being able to make up any shortfall (e.g. unavoidable high personal expenses, debt, maintenance etc), the general rule would apply.
- In some circumstances the non-dependant will not be able to contribute an amount equal to the HB non-dependant amounts. If the circumstances of the non-dependant are such that the amount they are contributing is reasonable, the actual amount they are able to contribute should be taken into account.

**ASSESSMENT OF INCOME AND EXPENDITURE FROM NON-DEPENDANTS****INCOME**

The applicant will need to inform the council of the actual income contribution made by the non-dependant together with the gross weekly income of the non-dependant.

In calculating household income the assessor will include as income either the actual contribution from the non-dependant or an amount equivalent to the relevant HB non-dependant deduction, whichever is the higher.

If an amount equal to the HB non-dependant deduction is used in the calculation of household income, the applicant will need to be notified that the non-dependant should be



contributing this amount. If the non-dependant cannot contribute this amount, the applicant should inform the council.

Where the non-dependant has a gross income that puts them in the highest category of non-dependant deduction for HB purposes they should be notified that the non-dependant is expected to contribute further to cover the shortfall in rent. If circumstances mean that this is not possible they will need to inform the council.

Where the council is informed that a non-dependant cannot meet the contribution expected of them, the council would examine the financial situation of the non-dependant more closely and then determine if the actual amount the non-dependant is contributing is reasonable given their circumstances.

#### EXPENDITURE

The application form would need to make it clear that expenses related to the non-dependant (e.g. laundry, food, additional heating etc) should be included in household expenditure.

DRAFT

## **NON-DEPENDANT DEDUCTIONS AND DHPs – INFORMATION SHEET**

---

### WHAT IS A NON-DEPENDANT

A non-dependant is an adult who lives in the household on an informal basis. This will usually be an adult son, daughter, relative or friend.

### HOW DOES HAVING A NON-DEPENDANT AFFECT AN APPLICATION FOR A DHP?

To determine if a household is eligible for a DHP, the household expenses are deducted from the household income to identify if there is enough money left to meet rent charges.

Any non-dependant living in the home will usually be expected to contribute to the household costs so the council will include in the applicants' income *either* the amount received from the non-dependant, or an amount that it would be 'reasonable' for the non-dependant to contribute.

When household expenses are calculated, any additional costs that are due to the non-dependant living in the household will be included. The council will expect the costs of the household to be higher because of the additional person living there.

### HOW MUCH IS THE NON-DEPENDANT EXPECTED TO CONTRIBUTE?

In most cases it is reasonable for the non-dependant to make a fair contribution to the household. On the application form for a DHP, the council will ask how much the non-dependant pays and, if this is a reasonable amount, this is the amount that will be added to the applicant's income.

If the council is of the opinion that the contribution is unreasonably low, it will use an amount that it thinks is more reasonable and add this amount to the applicant's income. The amount taken into account in these circumstances depends on the earnings or benefits of the non-dependant – this is why details of the non-dependant's income are requested on the DHP application form. The amounts used in the assessment are the same as the non-dependant deduction used in the assessment for Housing Benefit purposes. If the council takes this approach it will let the applicant know so that they can ask their non-dependant to contribute this amount.

There are a few exceptional circumstances where the council would not expect the non-dependant to contribute. For example, if the applicant receives certain disability allowances or if the non-dependant has no income.

## INCOME AND EXPENDITURE HEADINGS

### INCOME<sup>16</sup>

#### (Weekly £)

##### Earned Income

Income from self-employment (net)

Earned income (net)

Partner's earned income (net)

Sick pay

Maternity pay

Other earned income

##### Benefits

Jobseeker's Allowance (contributory and income-based)

Income Support

Employment Support Allowance (contributory and income-related)

Pension Credit (guaranteed and savings credit)

Child Benefit

Incapacity Benefit

Widows Benefit

Attendance Allowance

Bereavement Allowance

Carers Allowance

Disability Living Allowance (both care and mobility components)

Personal Independence Payment (both daily living and mobility components)

Other benefits

##### Tax Credits

Working Tax Credit

Child Tax Credit

##### Pensions

Occupational pension

Partner's occupational pension

State pension

Partner's state pension

War Widows Pension

---

<sup>16</sup> Data for income can be drawn from HB systems for all non-passported income. Income should be validated against HB systems.

**Other**

Maintenance  
Income from any other source  
Rent from lodger  
Money from non-dependant  
Student income

**Total Weekly Income [calculated]**

**LUMP SUM ACCESSIBLE MONEY<sup>17</sup>**

Accessible savings/ Investments total  
Money from family or friends  
Other

**Total Accessible Money [calculated]**

---

**OUTGOINGS<sup>18</sup>**

**Housing Costs**

Mortgage or rent (net of HB)  
Council tax (net of any council tax support through a CTRS)  
Mortgage  
Ground rent  
Service charges  
Endowment

**Housing Services**

Water charges JRF comparison category: water rates  
Household fuel

---

<sup>17</sup> Savings and investments can be drawn directly from HB systems for systems where total capital and investments (rather than weekly derived income) is recorded.

<sup>18</sup> The Joseph Rowntree Foundation has produced minimum expected weekly expenditure (2013 rates) for certain categories of expenditure. Some of these categories are included in this report. For further information [www.jrf.org.uk](http://www.jrf.org.uk)



Gas  
Electricity  
Other Fuel  
Total fuel [calculated]

JRF comparison category: fuel costs  
Consider higher fuel costs if disability benefits are awarded.

**Insurances**

JRF comparable charges: household insurance

**Food costs (including school meals)**

JRF comparison category: food

**Clothing**

JRF comparison category: clothing

**Household Goods and Services**

Digital TV/internet  
TV licence  
Telephone  
Mobile telephone  
Prescriptions  
Toiletries  
Baby (nappies, baby food etc)  
Newspapers / magazines  
Total household services [calculated]

JRF comparison category: household goods plus household services plus other household costs

**Cigarettes, alcohol**

JRF comparison categories: alcohol and tobacco

**Travel**

Travel Expenses  
Petrol  
Car Tax and Insurance  
Total travel [calculated]

JRF comparison category: motoring plus travel  
Consider higher transport costs if disability benefits are in payment.

**Debt**

Consider referral to debt counselling for debt consolidation

Catalogues  
Credit cards  
Hire purchase  
Priority fines  
Magistrates fine  
CCJ  
Other debts

Loans from family  
Payday loan  
Other loans

**Other**

Private pension payments  
Holidays  
Maintenance/CSA  
Registered childcare costs  
Other

JRF comparison category: Childcare

**Total expenditure [calculated]**

DRAFT

## PRIORITY GROUPS

(NOTE THAT THESE ARE EXAMPLES ONLY – IT IS FOR EACH LOCAL AUTHORITY TO DECIDE WHO GOES IN EACH PRIORITY GROUP)

### ONGOING PAYMENTS

#### GROUP A:

**Households where alternative arrangements are not a realistic option.**

*This is the top priority group. It includes those who are subject to circumstances that are exceptional and where making alternative housing arrangements is exceptionally difficult, or where there are severe obstacles preventing the claimant or their partner from improving their financial position.*

- Households subject to the under-occupancy rules where there is a disabled person and, on account of that disability, either significant adaptations have been made to their property, or the property is particularly suited to their particular needs.
- People who are victims of domestic violence, or have moved because of the threat of domestic violence elsewhere.
- Households who have moved because the children have been subjected to bullying or at risk of peer pressure to join a criminal gang or induced into substance abuse.
- Households subject to benefit cap reductions where there are three or more children and at least one is a child under five, **and** the head of the household is a single parent.
- Elderly households in the PRS who have a rent increase that takes their rent above the LHA.
- Households where children have had to be removed for their own safety and placed in foster care where there is evidence that the children will return to the property.
- Where there is a serious medical reason for an additional room supported by a formal medical opinion.

*For example where partners are unable to share a bedroom because of medical circumstance prevent them from doing so.*

- Applicants who would break a court order by moving to a smaller property.
- Where someone in the household is pregnant, including those currently in shared accommodation or subject to an under-occupation reduction (reviewed after the baby is born).

- Applicants awaiting a court judgement regarding custody of children.
- Applicants with joint custody arrangements of children but who are not receiving Child Benefit payments for those children.

## GROUP B

**Households where the claimant and/or their partner are supporting other household or family members, or who themselves are being supported, and changing household arrangements would jeopardise that support.**

*This group is the second highest group because members of the family are supporting other members of the household and making alternative housing or employment arrangements would have a negative impact on the level or type of support being giving.*

- Households subject to the under-occupancy rules where there is a foster carer whose circumstances mean they are not exempt.
- Families with an active social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project.
- Those engaged in caring full time for a family member and, as a result, face additional difficulties or obstacles entering work.
- Households subject to benefit cap reductions where there are one or two children and at least one is under five, **and** the head of the household is a single parent.
- Households where there are young people who have left local authority care.
- Former homeless people being supported to settle in the community.
- Households subject to the under-occupancy rules but where the age of the child/children means that they will soon have the appropriate number of bedrooms.
- Households where there is evidence to support that children cannot share a room, where an application for DLA or PIP has been applied for or refused, awaiting the outcome of an appeal.
- Single households placed in accommodation by social services after completing a period of rehabilitation for addiction and where living in suitably sized accommodation would present a significant risk of relapse.
- Shift-workers at risk of losing their job if they were to move accommodation.
- Where there is a baby in the household (under six-months old).

## GROUP C

### Households where there are exceptional short-term personal or social barriers to moving

*This Group represents those who have short-term barriers that prevent them from changing their housing arrangements. These could be either personal or social obstacles or both. The challenges may be addressed but only through additional external support. This could be support that is offered by the council or its partners or third sector providers such as charities and voluntary sector.*

- Pensioners who have lived in the area for a long time and would find it difficult to establish support links in a new area.
- Households living in a rural area who because of caring or similar responsibilities would find it particularly difficult to move, or to obtain employment locally.
- Households subject to benefit cap reductions where there are two or more children over the age of five, **and** the head of the household is a single parent.
- Where the registered social landlord has not been able to offer suitable alternative accommodation as defined in the *Homelessness Suitability of Accommodation Wales Order 2006*.
- Where the room size of a single additional bedroom does not meet the requirements of a bedroom as outlined in S326 of the *Housing Act 1985* or the additional bedroom has never been used as a bedroom but as another room such as a study or a dining room.
- Where there is a new baby in the household who is less than one-year old.
- Where the applicant is single and under thirty-five years old and has children who stay with them at least one night per week but who are deemed for Housing Benefit purposes to be living with another adult (who is in receipt of Child Benefit for the child).

## GROUP D

### Households where changing housing arrangements could affect their ability to maintain employment.

*The group includes households where employment or additional employment offer them the best opportunities to improve their circumstances but the risk of moving could reduce their prospects of employment or further employment.*

- Households subject to benefit cap restrictions, where there is a child (or children) living in the household.
- People who are working in a temporary job where making alternative housing arrangements could impact on their ability to secure more stable work.
- People who need to live near their jobs because they work unsocial hours or split shifts.

- *Depending on local needs this example might be better placed in category B*
- People for whom moving would significantly increase travelling costs to the extent that retaining employment would not be viable.
- Households where the claimant or their partner has children who are deemed for Housing Benefit purposes to be living with another adult (who is in receipt of Child Benefit for the child).

## **GROUP E**

### **Households experiencing rental shortfalls but would benefit from some short-term financial support.**

*Short-term is not in law defined by a specific time period. It a test of reasonableness and it would be for each Council to give some guidance on what they believe to be reasonable. In general financial terms, a period of less six-months is often considered as being short-term although less than one-year is also a common period. Within Housing Benefit guidance, six-months or 26 weeks is most common. Consideration would need to be given to the circumstances of the applicant and the authority would be better to retain discretion and use a time period as guidance for decision-makers rather than it being a hard and fast rule.*

- Households not in groups A to D with rental shortfalls arising from welfare reforms and who need to maintain their present accommodation whilst seeking suitable alternative arrangements.

## **ONE-OFF PAYMENTS**

### **GROUP A:**

#### **Households where alternative arrangements are facilitated by a DHP Award.**

*This is the top priority group. It includes those who are able to change their household living arrangements to more appropriate accommodation.*

- To cover the cost of rent deposits/rent in advance for a tenancy, or removal costs which would mean that the under-occupancy rules, benefit cap or LHA restriction would no longer apply.

### **GROUP B**

#### **Households where the claimant and/or their partner need assistance to improve their ability to work.**



*This group is the second highest group because members of the family require assistance obtaining work or additional work in order to improve their circumstances, and this would either mean that they could then afford the difference between rent and HB or could move to another area where there was work.*

- Assistance with travel (such as a three month travel pass or fare for interviews).

#### **GROUP C**

**Households where it is a possible to take in a lodger or others who may assist with housing costs.**

*This group represents those who need to need to make some investment in their home in order to accommodate a lodger or sub-tenants who can assist with the household rent.*

- Financial assistance with decorating or adaptations to the home to accommodate a lodger.
- Financial assistance towards the cost of furnishing and bedding.

#### **GROUP D**

**Households who are seeking to improve their situation but who don't necessarily have a shortfall.**

- To cover the cost of rent deposits/rent in advance for a tenancy, or removal costs in any circumstances not covered by Group A.

#### **GROUP E**

**Any other reasonable circumstances.**



## COMMUNICATIONS STRATEGY

### Introduction

1. If the DHP Policy Framework is to be fully effective it needs to be supported by a comprehensive communications strategy. It is particularly important that those households who are likely to have the highest priority for an award are fully aware of the DHP scheme. Otherwise, lower priority applications may receive awards by default - simply because higher priority applications have not been made. Also, different levels of awareness amongst potential applicants across councils will tend to contribute to the sort of inconsistent treatment we are seeking to avoid.
2. This communications strategy covers communications with potential applicants, advice agencies and those with a direct interest in the running of the scheme such as council members and housing teams.

### Objectives

3. The starting point in any communications strategy is to have clear objectives. This will ensure that communications are aimed at the right people and that scarce resources are used prudently.
4. In the context of the DHP project, the objectives for the communications strategy might be:
  - Improve general awareness of the DHP scheme whilst avoiding unrealistic expectations; and
  - Increase applications from those likely to be in the highest priority group for an award.

### Improving general awareness

5. It is clearly important to raise general awareness of the DHP scheme so that the local community knows that the scheme exists and can be a source of support. But the messages need to be quite subtle. The scheme is there, it should be used, but not everyone who applies will receive help. Key messages might be:
  - Additional help is available if your benefit doesn't cover all your rent
  - It is a limited fund so not everyone can receive help
  - Support is usually for a short period though awards can be renewed or extended and some can be made for a longer period
  - More help is likely to be given to those trying taking action themselves to reduce or eliminate their rent shortfall.



6. So, given the natures of DHPs, it will be necessary to make people aware that the aim is to help those who have the greatest needs, not everyone with a shortfall. This means explaining (simply and clearly) the council's policy for deciding priorities, i.e. the existence of priority groups and who is in each one. It is unnecessary though (and potentially counter-productive) to publish all the detailed decision-making process involved, for example the scoring mechanism in the matrix, which is best kept internal.
7. Raising general awareness can be done by:
  - Website – by having a clear precise entry (a DHP page) containing only a short description together with the key messages. Ideally, it will be easy to navigate to the DHP page from the home page and the DHP page should appear in any search engines on the site. Links to an on-line application form and other documents outlining the council's policy are highly desirable. But long policy statements, particularly if they cover the technicalities, are no substitute for having a short covering DHP page with the key points. This is what most people will read.
  - Leaflets – again best kept short with key messages and possibly incorporating a short application form. See Annex 1 for a good example.
  - Ensuring all other parts of the council know about the scheme and the council's agreed policy – clearly vital if housing teams, for example, are either advising tenants or playing a role in administering DHPs.
  - Ensuring all advice agencies know about the scheme and the council's policy. This should mean that local residents receive similar advice and so help achieve a consistent approach.
  - It may be worth including general advice on Housing Benefit notification letters, again making clear that the fund is limited.
8. Increasing awareness among landlords may need some separate, careful handling. Social landlords often receive their own advice from representative organisations such as the National Housing Federation of the Chartered Institute of Housing. If they don't get full and accurate advice from the council, they may give their own advice out which may reflect what they would like to see happen rather than what the council's policy actually is.

### **Increasing applications from high priority groups**

9. Very often the issue seems to be that it is difficult to get applications from people who are likely to need most help but relatively easy to get applications from those

who are less likely to get an award. Sometimes, there is a shortage of applications altogether. It is therefore probably best to target by:

- Writing to those likely to be in the high priority groups, preferably in a tailored way and with a personal touch.
- Visiting those who have been identified as likely high priority candidates.
- Speaking at meetings where high priority groups are likely to be.
- Ensuring appropriate advice agencies make a point of encouraging those in high priority groups to apply.
- If it is possible to tailor HB notification letters (which might be possibly quite resource-intensive) this would be very helpful where it is clear that there is a shortfall and that the household is likely to be in a high priority group.

## Internal audiences

10. All parts of the council who are likely to have an interest should be fully aware that DHPs are available and the council's policy on priorities (which they may have been involved in drawing up). In particular, housing teams need to be fully aware of the policy, particularly where lump sum payments fit in. Policies in this area may vary across different authorities depending on whether they operate a bond scheme for rent deposits and what other provision might be available for example through local welfare schemes. But if lump-sum payments are made it needs to be clear where they fit into the priority groupings.
11. Council members also need to know about DHPs, particularly if they are involved in deciding the policy. They may not always appreciate what is involved in processing DHPs and how they differ from mainstream benefits. It may be helpful to produce a short guide for them, perhaps a couple of pages, to give members a clear but concise account of what DHPs are. An example is at Annex 2.
12. Two issues which can be contentious are taking into account a) disability income and b) non-dependant income. Information sheets on both are at Annex 3 and 4, and these could easily be adapted for an external audience if required.

## Other points to consider

13. Communications need to be in a format that will appeal and get people interested. Often the best communications are in the form of a story: where possible, it is a good idea use interesting narrative, human interest stories and arresting imagery. A couple of anonymous case-studies of successful applications might be helpful.
14. It may help improve awareness to ensure that leaflets and forms are printed in a range of different languages.

15. It is important to use a range of communication vehicles - telephone, email and face-to-face, depending on the circumstances. There could be a useful role for social media which can have a high volume impact. The impact is unpredictable and to some extent uncontrollable so social media are probably more useful for general rather than targeted messages.
16. It goes without saying that communications budgets are finite and that resources should be used in the most effective way possible. This is another reason to have clear objectives and to evaluate fully the impact of the communications strategy.

## **Evaluation**


17. It is a good idea to periodically evaluate the communications strategy to assess its effectiveness with both internal and external audiences. It is best to use open questions with appropriate prompts and benchmarks and, if possible, get someone independent to do the work. All the results should be considered carefully and used to refine and amend the strategy.

## **Conclusion**


18. It may be tempting to design communications for their own sake. However, this is likely to result in a scattergun approach and is unlikely to be very effective. It is far better to be guided by clear objectives so that the communications strategy can be properly evaluated. It is an old maxim, but nevertheless worth repeating, that communications activity is not an end in itself but should support and reflect the wider objectives of the organisation.

December 2014

A guide for benefit claimants



## Discretionary Housing Payments



**Housing Benefit & Council Tax Support**  
April 2014

**Please List Your Weekly Expenditure and Income**

Expenditure	Income
Food.....£	IS/JSA/Other Benefits.....£
Household Items.....£	Wages.....£
Rent.....£	Child Benefit.....£
Council Tax.....£	Child Tax Credit.....£
Electricity.....£	Working Tax Credit.....£
Gas.....£	Pensioners Tax Credit.....£
Water Rates.....£	DLA (Mobility).....£
Telephone.....£	DLA (Care).....£
TV/Video Hire.....£	Maintenance.....£
TV Licence.....£	Attendance Allowance.....£
Insurances.....£	Others (please give details).....£
Car.....£	.....£
HP Payments.....£	.....£
Drinking.....£	<b>Total</b> .....£
Smoking.....£	
Clothing.....£	
Loans.....£	
Credit Cards.....£	
Others (please give details).....£	
.....£	
<b>Total</b> .....£	

**Help and advice**

If you need any help or advice in making a request for Discretionary Housing Payments Benefit contact your Benefits Section at either

South Hams District Council, Benefit Section, Follaton House, Plymouth Road, Tolnes TQ9 5NE tel 01803 861234 or

West Devon Borough Council, PO Box 31, Tavistock PL19 8HG tel 01822 618888

To get this booklet in another format or language. Tel. 01803 861234

**Discretionary Housing Payments**

We can make Discretionary Housing Payments where, in our view, in addition to the benefit you already receive, you need further help to meet your rent.

**What should I do if I do not receive enough benefit to pay my rent?**

You will need to apply for Discretionary Housing Payments by completing the form attached to these notes.

**What happens then?**

After you have completed the form and sent it to the office we will need to ask you lots of detailed questions about your personal and financial circumstances. This can be done either at our office or at your home.

**What sort of questions will you ask?**

- Did you know that all your rent would not be paid by benefit when you took your tenancy?
- Have you tried to find cheaper accommodation?
- Is there anyone else, family or friends, that you could live with or, could they help you financially?

**Do you or any member of your family have any disability, health problems or other special needs?**

- Do you have any capital or assets that can be sold to help you financially?
- You will be asked to provide evidence of your weekly income and how you spend it.


**What will happen then?**

If we decide that we cannot make you a Discretionary Housing Payment we will write and tell you and explain our decision.

If we decide that we can award you a Discretionary Housing Payment it will probably only be paid for a short period while you try and resolve the difficulties you are experiencing. We will write and tell you how much you will be paid and for how long.

**What if I am unhappy about the decision on my application for Discretionary Housing Payments?**

There is no formal right of appeal. However, if you are unhappy with this decision, it will be reviewed by a Senior Officer. Please write to the Benefits Team for further information.



**Application for Discretionary Housing Payments**

Please return to the your Benefits Section (details overleaf)

Ref. No. ....

Name. ....

Address. ....

Tel. ....

I wish to apply for Discretionary Housing Payments for the following reasons:

.....

.....

.....

.....

.....

Signed. ....

Date. .... Please complete the page overleaf

**BRIEF FOR ELECTED MEMBERS****WHAT ARE DHPs?**

Discretionary Housing Payments (DHPs) are made by the council to assist Housing Benefit recipients with their housing costs. Usually this will occur when Housing Benefit does not cover the full rent and the household has difficulty meeting the remaining rent. Recent changes in Housing Benefit regulations have resulted in an increase in the numbers of households requiring assistance.

The majority of DHP awards are intended to provide short-term support whilst the household considers other options, such as moving house or finding employment. DHPs can also be used to help a household move to a cheaper property by covering removal costs or paying for a rent deposit. However, there will always be cases where it is unreasonable to expect the household to move and, in these cases, DHP can provide long-term assistance with housing costs.

DHPs will continue to be administered by the council after Universal Credit has replaced existing means-tested benefit systems.

**WHO CAN THE COUNCIL HELP?**

There is no automatic entitlement to a DHP. We cannot help everyone requiring assistance with housing costs so difficult decisions have to be made about priorities and who to assist.

There are some rules in place about who can be helped:

- We can only award DHPs to households currently in receipt of Housing Benefit - it doesn't matter if they rent privately or from a social landlord;
- Awards can be made to those in employment or those in receipt of benefits;
- We cannot award a DHP to households who only receive help from the local council tax reduction scheme and not Housing Benefit.

**HOW MUCH CAN WE HELP?**

Payments are made from a cash-limited fund. Each year the Department for Work and Pensions (DWP) provides a sum to the council for DHP awards. The council can top-up this amount to a limit of 2.5 times the original amount. This is called the "permitted total" for the year. The council cannot spend more than the permitted total on DHPs.



If the council awards a weekly payment the maximum award is the difference between Housing Benefit and rent (not including certain service charges). In other words, the DHP is used to top-up the Housing Benefit in order to cover the full rent.

There is no maximum to the individual lump-sum awards we can make. However, as DHPs can only assist with housing costs, the limit will be the actual cost of, for example, moving to a new house or the deposit for a new home.

## **HOW DO WE DECIDE WHO TO HELP?**

It is important that we assist those households who need help the most. The council has therefore developed a policy to ensure awards are fair and consistent and prioritise those in greatest need.

To allocate awards the council uses a points system with five different levels of priority. Applications are allocated points for the priority level applicable to their situation. In addition, the council allocates further points to applications where the household is either doing everything possible to help themselves or cannot reasonably be expected to do any more, where a cost to the council would be incurred if the household did not receive assistance (for example, if the household was to be made homeless) or where lack of an award would cause exceptional hardship.

At the start of each financial year a decision is made regarding the amount of points required for a DHP award. This decision is based on the amount available for DHPs in the year and expected need.

## **HOW SHOULD APPLICANTS APPLY FOR ASSISTANCE?**

In order to apply for a DHP, the applicant must complete a DHP application form. These are available online from the council's website or from the Housing Benefit office. Assistance can be provided by someone acting on behalf of the applicant or at the council's Housing Benefit department.

Applicants will need to provide full details of their income, expenditure and savings. This may feel intrusive to some people but the information is necessary to assess the application.

An interview with the applicant may be necessary to provide a full picture of their situation.

## **IS THERE A REVIEW PROCESS?**

Yes. If the applicant disagrees with the decision they can ask for a review. Initially reviews are undertaken by a senior officer. If the applicant still disagrees with the decision the case is further reviewed by a trained appeals officer.

## **WHERE CAN I GET FURTHER INFORMATION?**

DHPs are administered by the Awards hub based in the Income and Awards Service. The unit will be able to give advice on any query relating to DHPs.

DRAFT

## DISABILITY RELATED INCOME AND DHPs – INFORMATION SHEET

### HOW DOES DISABILITY-RELATED INCOME AFFECT APPLICATIONS FOR A DHP?

To determine if a household is eligible for a DHP, the household expenses are deducted from the household income to determine if there is sufficient money left to meet rent charges.

If a member of the household receives a benefit because of a disability this amount is included in the income that is used to assess your application. From this amount household expenses are deducted. If a member of the household is disabled, all the additional expenses that need to be met because of the disability will be included.

So, although the disability benefit will increase the income taken into account, this will be offset by increased household expenditure which includes all disability-related expenses.

### WHY IS DISABILITY-RELATED INCOME AND EXPENDITURE TAKEN INTO ACCOUNT?

Disability is very individual and by taking account of actual income and expenditure this can reflect the specific costs of the disability.

Research has shown that for the majority of people living with a disability the costs are likely to be higher than the amount of disability benefits received. By including all income and expenditure it is possible to take account of any expenditure related to the disability that is above the amount received in disability benefits.

Therefore, taking all disability related income and expenditure into account enables the council to assist those facing the highest disability expenses and fairly reflects a households circumstances.

### WHAT TYPE OF DISABILITY-RELATED INCOME IS TAKEN INTO ACCOUNT?

All disability-related income is taken into account. This includes Disability Living Allowance (care and mobility), Personal Independence Payments and ESA (support category).

### WHICH DISABILITY-RELATED EXPENSES ARE TAKEN INTO ACCOUNT?

All disability related expenses are taken into account. These can be direct costs (such as care, medical costs, braille literature) and indirect costs (such as increased heating, food or travel costs). It is not necessary to identify the portion of household service charges that are due to the applicant's disability. The council would expect these service charges to be higher in households containing a person with a disability.



## NON-DEPENDANT DEDUCTIONS AND DHPs – INFORMATION SHEET

---

### WHAT IS A NON-DEPENDANT?

A non-dependant is an adult who lives in the household on an informal basis. This will usually be an adult son, daughter, relative or friend.

### HOW DOES HAVING A NON-DEPENDANT AFFECT AN APPLICATION FOR A DHP?

To determine if a household is eligible for a DHP the household expenses are deducted from the household income to identify if there is enough money left to meet rent charges.

Any non-dependant living in the home will usually be expected to contribute to the household costs so the council will include in the applicants' income *either* the amount received from the non-dependant, or an amount that it would be 'reasonable' for the non-dependant to contribute.

When household expenses are calculated, any additional costs that are due to the non-dependant living in the household will be included. The council will expect the costs of the household to be higher because of the additional person living there.

### HOW MUCH IS THE NON-DEPENDANT EXPECTED TO CONTRIBUTE?

In most cases it is reasonable for the non-dependant to make a fair contribution to the household. On the application form for a DHP, the council will ask how much the non-dependant pays and, if this is a reasonable amount, this is the amount that will be added to the applicant's income.

If the council is of the opinion that the contribution is unreasonably low, it will use an amount that it thinks is more reasonable and add this amount to the applicant's income. The amount taken into account in these circumstances depends on the earnings or benefits of the non-dependant – this is why details of the non-dependant's income are requested on the DHP application form. The amounts used in the assessment are the same as the non-dependant deduction used in the assessment for Housing Benefit purposes. If the council takes this approach it will let the applicant know so that they can ask their non-dependant to contribute this amount.

There are a few exceptional circumstances where the council would not expect the non-dependant to contribute. For example, if the applicant receives certain disability allowances or if the non-dependant has no income.

# DISCRETIONARY HOUSING PAYMENT APPLICATION FORM

## 1. ABOUT YOUR APPLICATION FOR DHP

<b>HB Claim No.:</b>	
<b>Date from which DHP is required:</b>	
<b>Address:</b>	
<b>Telephone:</b>	
<b>Email:</b>	

**Please tell us why you are applying for a DHP? (please tick all that apply)**

My benefit has reduced because I am classed as having a spare bedroom.	<input type="checkbox"/>
I am affected by the benefit income cap.	<input type="checkbox"/>
My benefit has reduced because of changes to the Local Housing Allowance rate.	<input type="checkbox"/>
My benefit has reduced because someone has moved out of my home.	<input type="checkbox"/>
I need financial support to help me move into a smaller property.	<input type="checkbox"/>
I need financial support while I am seeking employment or more employment.	<input type="checkbox"/>
My benefit has reduced because I am affected by changes to the HB scheme.	<input type="checkbox"/>
I cannot afford to pay the difference between my rent and Housing Benefit for other reasons. <i>Please tell us why here:</i>	<input type="checkbox"/>

## 2. ABOUT YOUR PROPERTY

The property has been adapted to meet my needs (tick if applicable):	<input type="checkbox"/>
I have not been made an alternative offer of accommodation (tick if applicable):	<input type="checkbox"/>
The spare bedroom is used as:	
since (enter date):	

### 3. ABOUT YOU AND YOUR HOUSEHOLD

#### 3.1. ABOUT YOU AND YOUR PARTNER

	Applicant	Partner
<b>Name:</b>		
<b>Date of Birth:</b>		
<b>Nino:</b>		
<b>Registered Disability (enter details):</b>		
<b>Medical Condition (enter details):</b>		
<b>If pregnant, enter due date:</b>		
<b>I work for:</b>		
<b>How I get to work:</b>		

DRAFT



3.2. ABOUT YOUR CHILDREN

If you do not have children go to section 3.3

	Oldest Child	Second Child
<b>Name:</b>		
<b>Date of Birth:</b>		
<b>Boy or Girl:</b>		
<b>Registered Disability (enter details):</b>		
<b>Medical Condition (enter details):</b>		
<b>If pregnant, enter due date:</b>		

Tick all that apply

Foster child	<input type="checkbox"/>	<input type="checkbox"/>
A child that is not fostered but I care for	<input type="checkbox"/>	<input type="checkbox"/>
At nursery (part-time)	<input type="checkbox"/>	<input type="checkbox"/>
At nursery (full-time)	<input type="checkbox"/>	<input type="checkbox"/>
In primary school	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
In junior school	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
In secondary school	<input type="checkbox"/>	<input type="checkbox"/>
At college inc. sixth form	<input type="checkbox"/>	<input type="checkbox"/>
At university	<input type="checkbox"/>	<input type="checkbox"/>
Taking an exam course	<input type="checkbox"/>	<input type="checkbox"/>
In work training scheme	<input type="checkbox"/>	<input type="checkbox"/>
In apprenticeship	<input type="checkbox"/>	<input type="checkbox"/>
In part time work	<input type="checkbox"/>	<input type="checkbox"/>
In full time work	<input type="checkbox"/>	<input type="checkbox"/>
On military service	<input type="checkbox"/>	<input type="checkbox"/>

Shared responsibly with a former partner

Child benefit is paid to:

Number nights per week spent in your household:



### 3.3. ABOUT OTHER PEOPLE IN THE HOUSEHOLD

If there are no other people in your household go to section 4 but first read the notes on the next page.

	First Person	Second Person
<b>Name:</b>		
<b>Date of Birth:</b>		
<b>Male or Female:</b>		
<b>Registered Disability (enter details):</b>		
<b>Medical Condition (enter details):</b>		
<b>If pregnant, enter due date:</b>		
<b>Monthly gross weekly Income (if known):</b>		

**Tick all that apply**

- Retired
- At college
- At University
- Taking an exam course
- In work training scheme
- In apprenticeship
- In part time work
- In full time work
- In receipt of ESA
- In receipt of JSA
- In receipt of Pension Credit
- In receipt of Universal Credit

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

**Please Read Carefully**

In the following sections you will be asked about your financial situation and what options are open to you to be able to change things.

It is important that you tell us as much as possible so that both you and the Council have an understanding of your situation and what can be done to help.

In the next section we ask about the finances of you and your partner. We do not need to know the income and expenditure of other adults living in your home (non-dependants). However, you should include any rent or financial assistance that they pay you for living in your home.

We have supplied you with a booklet that will help you identify money that you have coming in and going out. The items listed in the booklet are a guide. This is not a complete list of possible income or expenses and some of the examples might not apply to your household.

If there is not enough space for all of your items in this claim form you will find additional pages in the booklet that you can use and send in with this form.

An electronic version of this form and the guide can be found on the Council's website at <http://www.unrhyw-sir-cyngor.gov.uk>

If you need help in completing this form, this is available from the following:

- Unrhyw sir Cyngor help line 0999 999999
- Unrhyw sir Cyngor help-centre in Capel Steet, Unrhyw open week days 9:00-16:00
- Llangarddwr Community Centre, Owain Court, Llangarddwr available Wednesday to Friday 10:00-1200
- Glyndŵr Dyffryn Library, School Lane, Glyndŵr Dyffryn, Tuesdays 10:00-16:00









## 5. WHAT CAN YOU DO TO HELP YOURSELF

Only in exceptional circumstances is an award of DHP a long-term solution for the shortfall between HB and rent. Before an award of DHP can be made it is useful if we have an idea of what action you have considered to resolve the situation.

Action	The chance this can be achieved? (score of 1-5 where 1 is not possible and 5 is will be done)	Reason why this may be difficult.	Evidence	Target date to achieve Action
<i>Work more hours</i>	<i>4</i>	<i>I am on my employer's waiting list for additional hours.</i>	<i>Letter from employer</i>	<i>31/7/14</i>



## 6. DECLARATION

Please read this declaration carefully before you sign and date it.

- **I declare** that the information given on this form is correct.
- **I agree** that the Council may make enquiries necessary to check the information I have given.
- **I understand that if any information I given is incorrect that I will have to repay any awarded DHP back to the Council.**
- **I understand that I know that any information I have given is incorrect that I will have to repay any awarded DHP back to the Council and I could be prosecuted.**
- **Your Signature:** \_\_\_\_\_
- **Date:** \_\_\_\_\_

Declaration of the person filling in the form on behalf of the tenant.

- **Your Signature:** \_\_\_\_\_
- **Print Name:** \_\_\_\_\_
- **Relationship to applicant:** \_\_\_\_\_
- **Date:** \_\_\_\_\_

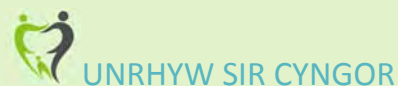
### OFFICE USE ONLY

Date received		
	Amount	Date
Weekly HB Ward		
Weekly Rent		
Weekly Amount of DHP required		
Weekly Amount of DHP Awarded		
Number weeks		
Total Amount		
Lump Sum Award		

DATE: 09/12/2014 PAGE: - 55 -

## Tudalen y pecyn 81

2 MORTIMER HILL HOUSE. MORTIMER, READING, RG7 3PW COMPANY NO. 07993730 VAT 153014748



# APPLYING FOR A DISCRETIONARY HOUSING PAYMENT

Advice on applying for a Discretionary  
Housing Payment when you have a  
shortfall between your rent and benefit



## INTRODUCTION

This booklet is to give you some guidance on completing the application form for a Discretionary Housing Payment (DHP).

You can apply for a DHP when you have a shortfall between the amount of Housing Benefit (HB) awarded to you and the amount of rent that you pay. You can also apply if you are a Universal Credit claimant and the amount of the housing element is less than your rent.

A DHP is not a benefit – it is an emergency payment. The budget is limited and set by Parliament. The council has to make sure that it is shared between applicants and it reaches those who are in most need. This means that even though you might be facing difficulties there may be others applying who need support more.

The council cannot guarantee long-term DHP support as the budget is set by central Government on a year-by-year basis and the number of applications the council receives varies due to changing economic and social factors.

Therefore the application is not just about applying for financial assistance but also to provide the council with a full picture of your circumstances so they can see if there are other ways in which the difference between rent and benefit can be addressed.

The application process looks at three key areas and it is important that you give as much information as possible. You will be expected to have evidence for some of the information that you give to the council. The areas that are covered are:

- Your household circumstances.
- Your household finances.
- Things that you think you and your family could do to change the situation.

If you are unclear about any parts of the form then you will find contact details at the back of this booklet where you can get assistance with your application.



## 1. YOUR HOUSEHOLD CIRCUMSTANCES

The first part of the form covers a range of questions about you and your household. This includes standard questions such as name and date of birth etc. It also asks the reason why you need assistance and details about your property. You should complete as much as you can.

There are questions about the people who live in your household. A household does not necessarily need to be a traditional family unit. It may be a single person or an extended family. It will include you, your partner and any children living with you. All of the questions are important and again you should complete as much as you can as it helps to provide a complete picture of your circumstances. If you need more space to give details of household members you will find extra pages at the back of this booklet or you can attach a separate piece of paper.

If you have an adult relative or friend living in your house you will need to complete the section "Other People Living in your House". The council needs to know about all people who live in your household. If you do rent out a room or someone makes a financial contribution towards the running of the household then you just need to tell the council about the amount of rent you receive.

## 2. FINANCIAL DETAILS

We need to understand your financial position. The financial information that you give not only gives the council a picture of how much help you might need but will also help both the council and you understand how you are using your income and what commitments you have.

If the Council does not have enough information on your income and outgoings then there is more of a risk that you will not be awarded a DHP.

Some examples of income and outgoings are shown below. The list is not exhaustive but it designed to give you some idea of what you should include.

All income and expenses of you and your partner need to be included.

## 2.1. INCOME

From Working	From benefits	Other Income
<ul style="list-style-type: none"> <li>• Wages</li> <li>• Earned Income</li> <li>• Income from self-employment (net)</li> <li>• Earned income (net)</li> <li>• Partner's earned income (net)</li> <li>• Sick pay</li> <li>• Maternity pay</li> <li>• Other earned income</li> </ul>	<ul style="list-style-type: none"> <li>• Jobseeker's Allowance (contributory and income-based)</li> <li>• Income Support</li> <li>• Employment Support Allowance (contributory and income-related)</li> <li>• Pension Credit (guaranteed and savings credit)</li> <li>• Child Benefit</li> <li>• Incapacity Benefit</li> <li>• Widows Benefit</li> <li>• Attendance Allowance</li> <li>• Bereavement Allowance</li> <li>• Carers Allowance</li> <li>• Disability Living Allowance (both care and mobility components)</li> <li>• Personal Independence Payment (both daily living and mobility components)</li> <li>• Other benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Tax Credits</li> <li>• Working Tax Credit</li> <li>• Child Tax Credit</li> <li>• Pensions</li> <li>• Occupational pension</li> <li>• Partner's occupational pension</li> <li>• State pension</li> <li>• Partner's state pension</li> <li>• War Widows Pension</li> <li>• Maintenance</li> <li>• Income from any other source</li> <li>• Rent from lodger/tenant</li> <li>• Contribution from Non-Dependent</li> <li>• Student income</li> </ul>

You may also have some lump sum accessible funds such as:

- Accessible savings/ Investments
- Money from family or friends
- Other money you can access

For each item of income please enter the following information on the form:

### Pay Period

We need to know how often you receive this income:

- M** = monthly
- W** = weekly
- F** = fortnightly
- Q** = quarterly
- 6** = six Monthly
- Y** = yearly
- I** = irregular





- Gross or Net** We need to know if the income is Gross or Net. Gross is the total amount (before any deductions) and Net is the amount after deductions (such as income tax) are removed. Enter **G** or **N** to indicate which applies.
- Amount** This is the amount of income. We understand that wages might fluctuate so you can enter a range such £100-£300.
- Type of Income** Please describe the type of income e.g. **wages, benefits, credits, pension, rent, student award** etc.
- Description** Please enter where the income comes from. Such as the name of an employer or “tenant” etc.

## 2.2. OUTGOINGS

The list below is also for guidance. Please try to be as accurate as possible about your expenditure. It will help both you and the council have a good understanding of how you are spending your income.

Housing Costs	Housing Services	Household Goods & Services
<ul style="list-style-type: none"> <li>• Mortgage or rent (net of Housing Benefit)</li> <li>• Council tax (net of any council tax support through a CTRS)</li> <li>• Mortgage</li> <li>• Ground rent</li> <li>• Service charges</li> <li>• Endowment</li> </ul>	<ul style="list-style-type: none"> <li>• Water charges/water rates</li> <li>• Household fuel</li> <li>• Gas</li> <li>• Electricity</li> <li>• Other fuel</li> <li>• Household insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Digital TV/internet</li> <li>• Subscriptions to services. Eg Netflix, ancestry, Amazon prime, Cloud services, etc</li> <li>• TV licence</li> <li>• Telephone</li> <li>• Mobile telephone</li> <li>• Prescriptions</li> <li>• Toiletries</li> <li>• Newspapers / magazines</li> </ul>
Other Household Cost	Travel	Debt
<ul style="list-style-type: none"> <li>• Food costs</li> <li>• School meals</li> <li>• Clothing</li> <li>• Childcare costs</li> <li>• Private pension payments</li> <li>• Holidays</li> <li>• Maintenance/CSA</li> <li>• Baby (nappies, baby food etc)</li> </ul>	<ul style="list-style-type: none"> <li>• Petrol</li> <li>• Car tax and insurance</li> <li>• Train fare</li> <li>• Bus fare</li> <li>• Taxi fare</li> <li>• Car repairs</li> </ul>	<ul style="list-style-type: none"> <li>• Catalogues</li> <li>• Credit cards</li> <li>• Hire purchase</li> <li>• Priority fines</li> <li>• Magistrates fine</li> <li>• County court judgement</li> <li>• Other debts</li> <li>• Loans from family</li> <li>• Payday loan</li> <li>• Other loans</li> </ul>



There are other items you may want to consider to help you understand your budgeting but that are not included in the above example. The council does not need to know about them but you may find including them for your own understanding useful. These include things such as cigarettes, alcohol, takeaways, eating out, cinema, coffee, gym & sport clubs, presents. Small items which by themselves may not seem like a drain on your budget can add up to quite a lot over a year. For example, it is not uncommon to discover that spending on something like a regular coffee from Starbucks can easily end up costing £700 per year.

For each item of expenditure please enter the following information on the form:

<b>Period</b>	We need to know how often you need to pay for this item: <b>M</b> = Monthly <b>W</b> = Weekly <b>F</b> = fortnightly <b>Q</b> = Quarterly <b>6</b> = six Monthly <b>Y</b> = yearly <b>I</b> = irregular
<b>Amount</b>	The amount you pay.
<b>Type of Payment</b>	Please enter a description of the payment e.g. <b>electricity, telephone, childcare, loan, petrol, subscription</b> , etc.
<b>Description</b>	Please enter who the payment is made to. For example <b>"British Gas", "O2", "Bunnykins Childcare", "Wonga", "General fuel", "Netflix"</b> , etc.

### 3. WHAT CAN YOU DO TO HELP YOURSELF

Only in exceptional circumstances can an award of DHP provide a long-term solution to a shortfall between rent and HB. Most awards are for a short period of time. The purpose of this section is to

- help *you* think and plan for how you will address the shortfall between rent and HB, and
- help *the Council* understand your circumstances and whether you qualify for help from the limited DHP budget. Given the current demand for assistance.

Most households who claim a DHP find their own solution to the long-term problem but it may be that you need some help while you implement your plan.

The form gives some ideas about ways in which you can solve the problems yourself. Not every example shown will be appropriate to your circumstances and they are given for guidance only. If you require assistance in planning for a long-term solution, there are contact details on the back of this booklet of places you can go to for help.

The form asks that you consider the following:

**Action** What kind of action could you take to make up the short-fall between HB and your rent? Suggestions include:

- Start work or work more hours.
- Cut spending on things that you would consider non-essential.
- Move to a smaller property with your current landlord.
- Move to a smaller property with a different landlord.
- Rent out a room.

There may be other things you can do, which are not on this list, but it is your plan. If there is not enough room on the form, you can attach a separate sheet.

**The chance this can be achieved?** This is a score of 1 to 5. 1 means that you would like to do this action but current circumstances means that it would not be possible and 5 means that is something that will definitely be done.

**Reasons why this may be difficult.** A brief statement for why there may be difficulties to achieve this action. For example, there may be medical reasons or that unemployment in your area might be exceptionally high. You may be tied into a contract that stops you from undertaking the task.

**Evidence** Any evidence that exists that shows that you are undertaking the action or that there are barriers to completing the actions.

**Target date to achieve** The date that you hope the action would be achieved.

**Action**

--oOo--



If you need help in completing this form then you can get help from the following:

- Unrhyw sir Cyngor help line 0999 999999
- Unrhyw sir Cyngor help-centre in Capel Steet, Unrhyw open week days 9:00-16:00
- Llangarddwr Community Centre, Owain Court, Llangarddwr available Wednesday to Friday 10:00-1200
- Glyndŵr Dyffryn Library, School Lane, Glyndŵr Dyffryn, Tuesdays 10:00-16:00

#### Other help

- Unrhyw Citizen Advice, Lloyd Building, Back Street, Unrhyw 0999 9999999
- Llangarddwr Welfare Rights, Miner Hall, the Green, Llangarddwr 0999 9999999
- Unrhyw Housing, Capel Steet, Unrhyw 0999 9999999

DRAFT

**PAN FRAMEWORK – CONSULTATION QUESTIONS for DHP Workshop on 19/1/15**

- 1. Does the framework cohere (i.e. make sense as a policy for dhp)?**
  
- 2. Do you consider that the framework will cause any issues in relation to how we consider DHP's in Powys for any particular clients? If so please explain how.**
  
- 3. Does the framework miss anything in your opinion in relation to clients in Powys? Particularly in relation to specific needs or issues associated with Powys customers. Please explain if so and provide any evidence:**
  
- 4. Does the priority groups in Annex 4 miss out any specific groups or category or circumstances? Provide details below.**
  
- 5. From the priority groups in Annex 4, is there any group (etc.) that you would move to a different priority group? Provide details below.**
  
- 6. Does the model claim form in the framework provide a better form for completion in comparison to the existing DHP claim form? If so how.**
  
- 7. Please list any other comments around the framework in relation to its use in Powys.**

Dr June Milligan  
Director General, Local Government and Communities  
Welsh Government  
Cathays Park  
Cardiff  
CF10 3NQ

## Financial Challenges Facing Local Government

21 May 2015

Dear June,

1. Following our correspondence in July 2014 and your appearance before the Committee on the financial challenges facing local government, the Public Accounts Committee has continued to consider this issue, taking into account recent related studies by the Auditor General, as well as evidence sessions held by the Committee. I am writing to set out some of the Committee's findings, and in particular where we believe the Welsh Government could provide more support to local authorities in overcoming the financial challenges they face.
2. The particular Auditor General reports the Committee has considered since our last correspondence have included *Delivering with Less – the Impact on Environmental Health Services and Citizens* (October 2014), *Managing Early Departures Across Public Bodies in Wales* (February 2015) and *The Financial Resilience of Councils in Wales* (April 2015). The Committee has held evidence sessions with representatives of Rhondda Cynon Taf, Gwynedd, the Vale of Glamorgan and Powys county councils.
3. This has been considered separately to the Auditor General's report *Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales*, which the Committee will discuss with you on 2 June.



## Financial Challenges

4. The Committee heard clearly that the financial challenges faced by local government had moved beyond finding efficiencies in the delivery of public services, to changing the way services are delivered or discontinuing them altogether. In your 14 May 2015 response to the Auditor General's report on Financial Resilience of Councils in Wales, you noted that you did not recognise a figure the report presented as the scale of funding reductions faced by local government. It would be helpful to understand what the Welsh Government's assessment of that figure would be and how the Welsh Government and local government engage to ensure a shared understanding of the challenges faced by local government.
5. Your letter also set out that the Welsh Government provides additional support to local authorities where evidence suggests there is a need. It would be helpful to understand more about this additional support, including which local authorities had received additional support and the nature of this support.
6. A key issue that the Committee heard was local authorities' limited freedom of movement to absorb reductions in their budget. The Committee heard that a high proportion of funding has to be spent on statutory functions and remain within service guidance. Spending reductions must therefore fall on the discretionary part of the budget, that is either spending above the statutory minimum or which is totally discretionary. The Committee heard this is around 25 per cent of local authorities' budgets. Often, these will be areas which can contribute to the longer-term health and well-being of the public, for example environmental health and leisure centres. The Committee heard that cutting these preventative services being cut to greater longer-term costs, and the Auditor General's report on environmental health set out in some detail how statutory obligations were being met currently but with a risk that performance may soon be threatened.
7. It would be helpful to hear whether you agree with local authorities' sense that a high proportion of their funding is 'ring-fenced', and set out your



assessment of the proportions of local authorities' budgets that are committed to statutory responsibilities or Welsh Government policy priorities and that which is not 'ring-fenced'. Given the high proportion of budgets that is non-discretionary, it would be helpful to understand whether the Welsh Government makes any assessment of where reductions are likely to fall, and of the longer-term consequences?

8. As a related issue, the Committee heard that there would be advantages to reducing the administrative cost associated with local authorities receiving a number of small grants, which could be dealt with more efficiently via the Revenue Support Grant. This is consistent with the Committee's discussions with the Permanent Secretary on the Welsh Government's management of grants more generally, where the Committee has welcomed action to rationalise grants. It would be helpful to understand how you are responding to these concerns with a view to reducing the cost of administration.
9. Environmental health was also discussed by the Committee as an example of where the level of required technical expertise is at odds with moves toward generalist officers. In addition, there was some concern by one local authority leader whether councillors could currently securitise the exercise of environmental health responsibilities. In his more recent report, the Auditor General sets out that the level of financial scrutiny and challenge as varying across councils, and your letter of 14 May 2015 agrees the importance of councillors' ability to challenge and scrutinise efficiency and savings plans. We would be grateful if you could set out how you are monitoring councils' uptake of the support for scrutiny you set out in your 1 July 2014 letter and seeking to ensure that weaker scrutiny is tackled.

## **Reserves**

10. The Committee was struck by the inconsistent use of cash reserves by local authorities. We heard that local authorities had been able to add to their reserves in recent years, in addition to making efficiency savings, which could now be drawn down in response to declining budgets. Of course, using reserves to mitigate against the effects of reducing budgets is only





sustainable where used to support investment to achieve longer-term savings.

11. The local authorities we spoke to on 25 November believed there was a misperception that they have a great deal more reserves than was available to them. It was asserted that there was limited flexibility for use of reserves held, given that much of their useable reserves were earmarked for specific purposes, for example the 21<sup>st</sup> Century Schools programme. The Committee heard that they had been asked to provide an outline of their level of reserves to the Welsh Government in October, and we would be grateful to understand what use had been made of this information and how it can be used to ensure the discussion around financial challenges facing local government will be well-informed.
12. The local authorities appeared to have a misunderstanding of the role of the Auditor General in relation to their reserves, believing he would raise concerns at inappropriately high levels of reserve rather than just when they are overly low. It was clarified in our evidence session that the primary focus of the Auditor General is on the accounting treatment of reserves, although he might comment if there was a risk of reserves being too low to meet future liabilities. The evidence session did highlight that some local authorities were under the impression that a clean bill of health on their accounts implied an independent endorsement of their levels of reserves.
13. Noting that the WLGA had produced a briefing on local authority reserves in November, the local authorities that appeared before the Committee welcomed the notion of further guidance on the use of reserves from the Welsh Government. Given the emphasis placed on a comprehensive strategy on reserves in your 14 May letter, we would be grateful if you could set out where you believe guidance would be helpful in terms of supporting the transparency, scrutiny and member understanding of the need for reserves and how they feature in Medium Term Financial Plans, and whether you intend to produce such guidance.



## Public engagement

14. The Committee discussed with local authorities how they engage with local communities on how budget reductions would be accommodated, including greater visibility for local authorities' cabinet members, use of focus groups and roadshows.
15. We heard that, while consultation had a limited impact on how councils' planned to respond to reductions, it could allow the authority to understand better the likely implications of any change, and allow it to be introduced more sensitively or adapt how services were delivered to realise savings. Consultation also helped set out to the public why a change was necessary, despite their reluctance to accept any reduction of service.
16. We heard examples of good practice, and believe there is opportunity for examples of good practice to be collated and shared between local authorities. We would be grateful for your views on how the Welsh Government is supporting the identification and sharing of best practice as you indicated you would be in your 22 July 2014 letter.

## Uncontrollable budget pressures

17. The Committee heard that local government does look to plan for coming years on the basis of rejected settlements, and the likely demand on their expenditure. Increasing pressure on expenditure would include rising costs of providing existing services, and costs associated with additional obligations placed on local government. The Committee heard that the local government sector works towards a shared understanding of future pressures, particularly through the Welsh Local Government Association, in addition to their own forecasts of local pressures – for example, from an aging population locally.
18. We would be grateful if you could set out how the Welsh Government assists local government in developing a sound understanding of the likely pressures in coming years, including inflation, wage inflation, and any additional statutory responsibilities.



## Funding formula

19. We noted in your letter of 1 July 2014 that the Welsh Government saw the process of reaching a Local Government settlement as being “one of the most extensive collaborative processes within government”, including though the Partnership Council, and the Finance and Distribution Sub Groups. When leaders of local authorities appeared before the Committee in November, they set out that the funding formula for local government was not well understood. In addition, we heard from Gwynedd the cost implications of delivering services in deep rural areas. Given that officials discuss the formula in detail in the Distribution Sub Group, is it likely that specific cost-incurring characteristics, such as deep rurality, that only affect some authorities would be given appropriate weight in a subgroup comprised of many authorities?
20. It would be helpful to understand whether you are satisfied that local government appreciate the collaborative process you set out as well as the Welsh Government does, and how you are confident that the collaboration allows the best decisions on allocations to be made, rather than the decisions that most readily find consensus.

## Early Departure Schemes

21. On 21 April, the Committee took evidence from Rhondda Cynon Taf and Powys county councils in response to the Auditor General’s report *Managing Early Departures Across Public Bodies in Wales*. The Committee has discussed this issue with other public bodies, and will do so again in the autumn, during its scrutiny of accounts.
22. The Committee heard that the local authorities had run early departure schemes as part of a more broad effort to reduce the cost of staffing, which was a high proportion of councils’ budgets. The Committee asked the authorities whether they had made decisions on staff departures on the basis of the requirements of a new structure, or if their restructuring followed a



departure scheme that could have included staff with skills and experience now required – meaning some departed staff needed to be replaced. The authorities we heard from were confident that they had made sound decisions on who could be released, though noted that budget reductions had to be absorbed often more quickly and at a quicker pace than was comfortable. The Committee had some reservations on whether authorities were actively redesigning their workforce and then determining who would be required to support it and whether the urgency of decision-making reduced its quality.

23. The Committee heard that councils had not received guidance from the Welsh Local Government Association on good practice for their voluntary exit schemes, including length of time before possible re-appointment, limits on severance packages, and public disclosure of settlement agreements. It would be particularly helpful if local government did not create further future challenges by making decisions on the pension arrangements for departing staff that would create pressure on local government pension funds. Given the Welsh Government's acceptance of the Auditor General's recommendation that you work with local government to seek agreement on common principles to underpin any future departure arrangements arising from local government mergers, it would be helpful if you could set out what action the Welsh Government has taken in this regard.
24. The Welsh Government's response to the Auditor General's report also mentioned the Public Service Staff Commission taking a role in coordinating early departure schemes between authorities in advance of local government reorganisation. The local authorities the Committee heard from were supportive of this suggestion, though this should allow for local variations where required. It would be helpful if you could set out what the Welsh Government's expectations are in respect of the balance between local flexibility and national consistency.
25. An issue that was discussed in this was the relatively high number of mutually-agreed departures from Rhondda Cynon Taf by staff on long-term sickness absence that were classed as early departures. Given the Committee heard that Rhondda Cynon Taf and the Wales Audit Office discussed whether



to record this information as part of the Auditor General's study of early departures, other local authorities may not have presented equivalent information as part of this exercise. It is therefore difficult to understand whether the financial challenges faced by local government has exposed deficiencies in the management of sickness absence, which these mutually agreed departures of staff with long-term sickness absences could reflect. It would be helpful if you could set out how the Welsh Government is monitoring and showing leadership in relation to sickness management, particularly through the Public Services Leadership Group.

### Local Government Reorganisation

26. Decisions on the future structure of local government in Wales loom large on the horizon. While the Committee did not consider the policies of the Government in respect of local government reorganisation, the current uncertainty around reorganisation and how reorganisation would be funded has had a clear impact on local authorities' ability to plan for the future. As you state in your 14 May letter, strategic financial planning and a robust medium-term financial plan are key for councils' resilience in the future.
27. The Committee discussed regional delivery of specific services, such as libraries, with local authorities and heard that, while it was possible, there was insufficient motivation to do so at the moment. This response was possibly in the context of more fundamental changes on the horizon.
28. The Auditor General's recent work on financial resilience of councils in Wales has drawn on the recent work of Grant Thornton on English councils. That showed English local authorities had been better able to respond to the challenges posed by budgetary reductions, and plan for the future in a more robust way than their counterparts in Wales. His follow-up work in the current year will allow more direct comparisons to be drawn, and the Committee will be keen to understand the extent to which uncertainty over authorities' futures has inhibited their longer-term planning. We would be grateful for any observations you have in this regard.



29. As an additional point, the Committee heard how the savings made by councils were on a recurring basis, and that the changes to how they delivered services were not temporary responses to the current challenges. This would have an implication for how medium-term costs of local government restructuring and longer-term savings would be forecast – given that the current position is not static. It would be helpful to understand how you are taking account of local authorities’ response to the current financial challenges as you progress the Government’s agenda of local government reorganisation.

Yours sincerely,



Darren Millar AM

Chair





Llywodraeth Leol a Chymunedau  
Local Government and Communities

Cyfarwyddwr Cyffredinol • Director General

Llywodraeth Cymru  
Welsh Government

Darren Millar AM  
Chair - Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

Our ref: MB/LA/2151/15

24 June 2015

Dear Chair

## Financial Challenges Facing Local Government

Thank you for your letter of 21 May regarding the financial challenges facing Local Government.

Your letter set out a number of questions from the Committee. I will respond to each in turn.

The estimate of funding pressures cited in the Auditor General's report *The Financial Resilience of Councils in Wales* reflects an assumption that Local Authorities continue to provide essentially the same services, in the same ways. Authorities need to take many considerations into account in planning their budgets for future years. One of the key messages in the White Paper *Reforming Local Government: Power to Local People* is that continuing in the same way is not an option and that Local Government needs to transform if it is to manage future funding pressures successfully.

The Welsh Government is supporting work to identify opportunities for savings, for example the independent review commissioned from KPMG to examine the costs of Local Authority administrative activities. The report indicates there is scope for Welsh Authorities to deliver up to £150 million of savings through identifying and adopting the practices of well-performing Authorities. These are savings which Authorities could start to make now.



BUDDSODDWR MEWN POBL  
INVESTOR IN PEOPLE

Parc Cathays • Cathays Park  
Cardiff  
CF10 3NQ

Tudalen y pecyn 100

Ffôn • Tel 02920 825727  
Ffacs • Fax 02920 823442  
[june.milligan@wales.gsi.gov.uk](mailto:june.milligan@wales.gsi.gov.uk)  
Gwefan • website:  
[www.wales.gov.uk](http://www.wales.gov.uk)

The review was conducted with considerable input from Local Government and the findings are due to be discussed at the next meeting of the Finance Sub Group in July. The meeting will also provide an opportunity for Local Government to set out how it is approaching financial planning to respond to the financial challenges and address future priorities and pressures.

Other areas where the Welsh Government is working with Local Government to develop innovative responses to the pressures include taking forward provisions in the Social Services and Well-being (Wales) Act, allowing for more collaborative working between health and social services to support improvements in the management of delayed transfers of care, and driving forward service integration across Wales.

Where more specific targeted support is needed, the Local Government Support and Intervention Protocol provides the basis for establishing such support (either informally or formally) at an early stage. This can help to prevent problems from becoming critical, maintains local autonomy and avoids the need for costly and disruptive interventions. Local Authorities can request support in any circumstances. However, they are encouraged to do so as soon as they become aware of problems in complying with relevant duties and when they are unlikely to be able to resolve these promptly and effectively on their own.

Welsh Government Ministers have exercised their powers under section 28 of the Local Government (Wales) Measure 2009 to provide Blaenau Gwent County Borough Council (2013-14) and Merthyr Tydfil County Borough Council (2014-15) with formal packages of support. These support the delivery of their corporate functions and followed recommendations from the Auditor General for Wales in his Improvement Assessment Letters to both Authorities in 2013. In response to the concerns and following discussion with the Welsh Government, the Leaders of both Authorities wrote to Ministers asking for formal support under the Local Government (Wales) Measure 2009.

For Blaenau Gwent, the Minister responded by appointing a team of external advisers to provide targeted support and challenge to the Authority's corporate centre and finance function. This was designed to enable the Authority to address its immediate short-term financial difficulties for 2013-14; to set a balanced budget for 2014-15; and to develop a single Transformational Change Plan setting out priorities for delivery for the medium term (up to three years). The advisers provided regular progress updates in terms of their deliberations, findings and conclusions and a view as to the Authority's capability, capacity and sustainability. The Wales Audit Office also provided challenge at specified points during the process to ensure the weaknesses identified in the Auditor General's Improvement Assessment Letter were being rectified as part of the support package.

In Merthyr Tydfil, the support package was again provided through a team of external advisers. Its specific purpose was to provide an independent perspective on and an external validation of the robustness of the Authority's financial plans and processes. It also assessed the Authority's Transformation Work Programme to ensure it was fit for purpose. The support package also identified whether the Authority had the



capacity and capability to drive the necessary improvement without external support. The Auditor General recently advised that the Welsh Government should continue to support Merthyr Tydfil in order for the Authority to improve. He added that the Authority is making progress thanks to the external support it is receiving.

In relation to spending flexibility, the 2015-16 settlement announcement indicates that Welsh Government specific grants account for less than 10 per cent of Authorities' budgeted expenditure. Suggestions that a high proportion of Local Government funding is ring-fenced need to be considered in this context.

The Welsh Government recognises the importance of maintaining the focus on reducing the administration associated with specific grants. With this in mind, a number of grants continue to be reviewed. For 2015-16 this includes 11 education grants, worth a total of over £140 million, being consolidated into a single education improvement grant. This has been accompanied by an increased emphasis on outcomes as a basis for monitoring the use of the funding. Furthermore, all the Environment and Sustainable Development revenue grants, worth over £70 million, have been consolidated into a single allocation.

On the subject of scrutiny, the three-year programme of work supported by the Scrutiny Development Fund (SDF) and delivered by the Centre for Public Scrutiny (CfPS) is now completed. During its lifetime, the Welsh Government held regular monitoring meetings with CfPS to receive progress reports on its work with individual Authorities as well as the work it was doing on a national scale to develop the skills and knowledge of the scrutiny community.

All the projects funded through the SDF had a Welsh Government representative on the steering group and the products have been disseminated to scrutineers in Local Government. During the final year of the programme, *Step by Step to Joint Scrutiny - A Handbook for Scrutineers* was produced. This was issued to every scrutiny officer at the *Many Hands* scrutiny conference and workshop in March 2015.

Welsh Government officials continue to engage with Local Authorities and other interested parties through the Public Service Scrutiny Reference Panel which meets regularly.

Between October 2012 and January 2015, the scrutiny support programme successfully supported improvements in the capacity and capability of Elected Members in Wales to discharge their scrutiny functions. A structured and targeted programme of regional learning, outcome-focused seminars provided all convergence area scrutiny members and officers with the latest thinking and good practice in governance, engagement and accountability. During the programme, bespoke developmental work took place with nine individual Authorities, strengthening their approaches to internal and external forms of scrutiny.

## **Reserves**

Information provided by the Local Authorities to the Welsh Government on reserves in October 2014 illustrated varying levels of disclosure and clarity about the purpose and use of reserves. Whilst some Authorities provide detailed and informative descriptions which support the requirement for a specific reserve, others provide ambiguous descriptions which are considered to be of limited benefit to the readers of the accounts. Some Authorities provide no detail, meaning it is not possible to assess the nature and purpose of their reserves. It is the role of the Auditor General for Wales to consider the appropriateness of the reserves of individual Authorities' during the audit process. Complementing this, the Welsh Government now routinely publishes information of the levels of reserves held by each Local Authority to ensure there is greater transparency, consistency and understanding on reserves.

This allows the information to be easily accessed and compared across Authorities. We are sharing the results of our evidence gathering on the approaches taken to holding reserves to encourage greater consistency and transparency of approach across Authorities. This incorporates an expectation that each Authority should have a clear protocol which sets out its approach to the holding, reviewing and discharging of reserves.

It is also important that within each Authority, those tasked with holding the executive to account are suitably supported. The Welsh Government takes the view that the guidance for Elected Members on the scrutiny of decisions regarding reserves does not go far enough and we will be developing further guidance to support the effective scrutiny of reserves.

## **Public engagement**

A key theme from the White Paper *Reforming Local Government: Power to Local People* is the need for Authorities to become more closely connected with their communities and better able to respond to their needs. A fundamental aspect of this is the way in which Authorities engage with their stakeholders, including local people, when determining spending priorities for the year ahead.

Most Authorities undertake thorough public consultations on their budget proposals, using innovative methods to involve their local electorate. These exercises are invaluable when determining spending priorities and shaping proposals for the services that matter most to people.

The Welsh Government gathered information from Authorities following the 2014-15 budget-setting round and published a prospectus of good practice examples. This included some strong examples of public engagement, innovation and thinking about the future. All 22 Authorities responded to the exercise and a selection, in many cases representing wider good practice, were highlighted in the prospectus.

This prospectus was shared with the WLGA and published on the Welsh Government's website. It was also published on the Good Practice Wales Portal where other examples of good practice across Welsh public services are promoted.

Local Authorities have recently provided information following the setting of budgets for 2015-16. Once we have collated and analysed the responses, the Welsh Government will use them to inform and promulgate good practice further.

### **Financial pressures**

As set out in previous correspondence with the Committee, there is a comprehensive and long-established consultative framework to support engagement between the Welsh Government and Local Government on financial matters. This includes an ongoing dialogue about the potential pressures at the Finance Sub Group of the Partnership Council for Wales. The meeting of the Finance Sub Group in July provides the next opportunity for discussion.

### **Funding formula**

The consultative processes referred to above include arrangements for considering and agreeing the formula for distributing revenue support to Local Authorities. Local Government is well represented on the Distribution Sub Group (DSG), an official working group which reports to the Finance Sub Group. The role of DSG is to maintain and develop a fair and accurate funding formula for distributing the Local Government Revenue Settlement in Wales. The Local Government representatives include officers from a range of Authorities across Wales and officials from the Welsh Local Government Association (WLGA). The Group's membership also includes independent experts. Information about the work of the Group is published on the Welsh Government's website.

DSG prepares a work programme each year. It includes producing an annual report for consideration by Finance Sub Group on the proposals for the distribution for the following year. This in turn informs the production of the Provisional Settlement which is consulted upon before the Final Settlement is produced. This leads to the annual Local Government Finance Report (Wales) No 1 which is laid for debate in the Assembly. The DSG report includes an assessment of the work of the Group written by its independent members. The independent members conclude that there is no evidence of the formula being designed to favour any particular interest or group and that DSG properly represents the interests of all Welsh Local Authorities.

The annual work programmes of the DSG are prepared with reference to the principles agreed with the Society of Welsh Treasurers, a group which comprises the chief finance officers of the Welsh county and county borough councils.

### **Early Departure Schemes**

The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 require each Local Authority employer to formulate, publish and keep under review its policies on compensation as appropriate so that value for money and transparency principles are clearly demonstrated to taxpayers and auditors.

Work is currently in hand to establish a Public Services Staff Commission for Wales. It will consider and advise on a range of employment matters, including early departure schemes and common principles to support the proposed merger processes. The recruitment exercise for the Chair and Members of the Staff Commission is in progress, with appointments to be announced in September. The Welsh Government is also working with the Workforce Partnership Council on developing the work programme for the Staff Commission and this will be discussed at the Council's next meeting in July.

In addition, work is continuing to develop the Welsh Public Sector Pay Policy. As part of this work, the Welsh Government will look to create good practice guidelines for early departures for all Welsh public sector organisations, working with the Staff Commission, public sector bodies in Wales and their recognised trade unions.

With regards to the monitoring of sickness absence, this has been discussed with the Public Services Leadership Group and more recently in the Workforce Partnership Council. The Welsh Government shares good practice and discusses common issues through HR Cymru. However, it is important to recognise that the management of sickness is a matter for individual employers to consider, in line with business requirements and employment law considerations.

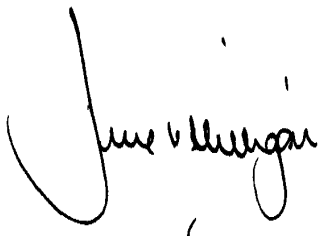
### **Local Government Reform**

The Minister for Public Services made a further announcement on the proposals for the reform of Local Government in Wales on 17 June.

The Welsh Government will continue to work with Local Government through the established partnership arrangements to consider how best to respond to the financial challenges we all face, and how the different aspects of the reform agenda contribute to managing these challenges and support the development of strong, sustainable and effective Local Government in Wales.

I hope this information is of assistance to the Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read 'June Milligan', written in a cursive style.

**June Milligan**  
Cyfarwyddwr Cyffredinol / Director General

**Mae cyfyngiadau ar y ddogfen hon**

Mae cyfyngiadau ar y ddogfen hon



Cyngor Celfyddydau Cymru  
Arts Council of Wales

13 May 2015

Mr Darren Millar AM  
Chair  
Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

*Dear Mr Millar*

**Public Accounts Committee: Scrutiny of Accounts 2013/14**

Thank you for your invitation to respond to the Committee's report on the *Scrutiny of Accounts 2013/14*.

We welcomed the opportunity to meet with the Committee. The Committee was, of course, robust and forensic in its scrutiny. But it was also insightful. Committee members' questioning brought a fresh perspective to topics which to us seem straightforward and familiar. It was a timely reminder that we should make no such assumptions.

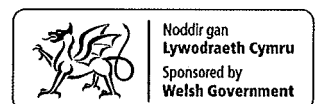
One of the objectives highlighted in your Foreword to the Committee's report is to "make reporting more transparent". This is also reflected in recommendation 9. We accept the challenge and will re-double our efforts in this regard.

The other eight recommendations in your report are focused on the activities of our peers. However, I wanted to reflect on the points raised in relation to value for money for taxpayers.

It's absolutely right that public bodies should be able to provide clear and persuasive evidence of the value that they provide – as a taxpayer funded organisation we're very aware that we operate, ultimately, with the public's consent. We're therefore fully committed to ensuring that our activities are engaging, relevant and effectively managed.

Plas Bute, Caerdydd CF10 5AL  
Ffôn: 0845 8734 900  
Ffacs: 029 2044 1400  
SMS: 07797 800504  
Ebst: gwybodaeth@cyngorcelfyddydaucymru.org.uk  
Gwefan: www.cyngorcelfyddydaucymru.org.uk

Bute Place, Cardiff CF10 5AL  
Tel: 0845 8734 900  
Fax: 029 2044 1400  
SMS: 07797 800504  
Email: info@artscouncilofwales.org.uk  
Website: www.artscouncilofwales.org.uk



Swyddfeydd Lleol/Local Offices:  
Caerdydd/Cardiff, Bae Colwyn/Colwyn Bay, Caerfyrddin/Carmarthen  
Rhif Elusen Gofrestredig/Registered Charity Number: 1034245

We spend a lot of time considering the value for money of our activities. Within the arts this raises some particular issues. We can readily provide myriad data and statistics on everything from the extent and the reach of our activities, to the financial leverage achieved through our investment, to benchmark comparisons with other similar activities. But measuring the impact (or the quality) of that activity is more challenging and contested.

For us, encouraging as many people as possible to enjoy and take part in the arts is fundamental to our work. But in persuading people to engage with the arts, it's essential that what they experience is well-crafted and of quality. Poor quality work is easily identified and self-evidently represents poor value for money. But the experience of attending or participating in a good quality event leaves people inspired, excited and invigorated.

However, how precisely might one 'measure' the value of this? This is especially the case with some of the activity we nurture and support, particularly where some of the benefits may well be seen elsewhere in the public sector. Examples would include our arts in health projects and funded work that has helped keep "at risk" young people out of the judicial system. The opportunity cost saving of initiatives such as these has a real value, but it is difficult to predict and define. But what we do know is that is that when budget cuts force reductions in this sort of activity, there's a very real risk that the result will be seen in added pressures on the public purse as a whole.

Whilst the value of such things is difficult to quantify, we're fully committed to finding convincing ways of explaining the outcomes as well as the outputs of our work. Our time with the Committee reminded us that we must have compelling arguments at our disposal, especially when budgets are reducing and comparative judgements have to be made about the allocation of scarce public funds.

One of the key chapters in the Committee's report (chapter 4) examines the Commissioners' relationship with the Welsh Government. This is very specific and particular in type. However, there are some similarities in the relationship between the Arts Council and the Welsh Government.

Constitutionally we're a complex organisation – a Royal Charter body, a registered charity, a Lottery distributor and a WGSB. As with all of the UK's Arts Councils, we operate under the protocol of the "arm's length principle". This is designed to ensure that if necessary our charitable responsibility to speak up on behalf of the arts is unimpeded.





In practice, this is an arrangement that appears to work well. Our status as an independent body needs to respect the Welsh Government's proper need to express a clear view of how it expects to see public money invested. What Council can contribute is the authenticity, knowledge and experience that an arm's length body can offer.

Chapter 4 of the report refers to the challenges of longer-term financial planning. These, again, would apply with equal relevance to the Arts Council.

The Arts Council provides revenue funding to 69 organisations, many of whom plan their programmes and contract artists some years in advance. Annual funding introduces an unhelpful note of uncertainty, as, of course, does the prospect of in-year cuts to funding. Our sponsor department at Welsh Government is understanding of the issues. Any mechanism that would allow us to be able to plan over a three-year period would be enormously helpful and widely applauded across the arts sector.

My final observation refers to the format of our Accounts and Annual Report.

We entirely accept the Committee's encouragement to make our accounts more accessible to the public. Whilst the format of these is largely prescribed given our charitable status, we're making a number of changes that we hope will go some way towards achieving that goal.

*Yours sincerely*  
*Nick Capaldi*

Nick Capaldi  
Chief Executive





Darren Millar AM  
Chair  
Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

7 May 2015

*Deu Darren,*

### **Public Accounts Committee Report on the Scrutiny of Accounts 2013-14**

I am writing in response to the Public Accounts Committee report on the Scrutiny of Accounts 2013-14. In particular, I would like to take the opportunity to let the Committee know how the Assembly Commission is taking forward your recommendations.

#### ***Recommendation 2***

*The National Assembly for Wales's Commission should clearly identify the savings from the investment made in information technology and translation during 2013-14 in its accounts for 2014-15.*

We will clearly identify the savings that result from our investment in new technologies and ways of working, including ICT and translation, in our accounts for 2014-15. The Commission has made informed decisions to invest in services to improve the quality of services we provide to Assembly Members and other stakeholders, but also to deliver savings and efficiencies. The basis for the decision to bring ICT services in-house was that the ICT budget would not increase and that the much-needed investment in infrastructure would be funded from savings. Both these objectives have been met. Our work to improve the effectiveness of translation services has

Bae Caerdydd  
Caerdydd  
CF99 1NA  
Cardiff Bay  
Cardiff  
CF99 1NA

Ffôn/Tel: 029 2089 8430  
E-bost/Email: david.melding@wales.gov.uk



seen a 20% increase in efficiency, allowing us to extend and improve the bilingual services we provide to Members. We will cover these achievements in our annual report and accounts, together with the impact of other investments and value for money savings. We will demonstrate that we have already delivered savings and benefits as a direct result of key investments, and how they will produce further significant savings in the future.

### ***Recommendation 7***

*The National Assembly for Wales's Commission and Welsh Government should set out in their budgets and accounts their approach to financial management – in particular their target for underspends.*

We are confident that our approach to financial management enables to achieve our strategic goal to “Use resources wisely”. The Commission’s practice throughout the course of the Fourth Assembly has been to make necessary investments to ensure that the Assembly is fully equipped to operate effectively as a parliament, but at the same time making best use of tax-payers’ money in the way we deliver services and manage costs by continuously improving efficiency and value for money.

Importantly, at the outset of the Fourth Assembly the Commission set out a budget strategy for the entire duration of the Assembly. Each year we have set our annual budget within this multiple year planning and funding framework. We have a corporate financial target to achieve a year end underspend position of less than 1% of the operational budget and achieved a 0.1% underspend against this target in 2013-14 and 2014-15. Value for money (VFM) savings targets have also been a feature of our budget management every year. At the moment, we are working to raise our game still further through a business efficiency review and setting a VFM savings target based explicitly on service and contract savings.

As you know, the Commission has its budget scrutinised annually by the Finance Committee. One of the outcomes of this was the introduction of our Corporate Performance Report, which includes key performance indicators (KPIs) on service delivery, budgetary performance, governance and assurance. This report is published three times a year and reflects the Commission’s commitment to operating in an open and transparent manner.



The Commission has established strong assurance arrangements to ensure that we deliver on our obligations to stakeholders and achieve our strategic objectives, including the appropriate management of the budgets agreed for the Commission by the Assembly. Our Assurance Framework, which has been praised by the Audit and Risk Assurance Committee and by our auditors, outlines the way in which the Commission's management obtains their assurance that internal controls are working effectively. It includes a wide range of component parts, including compliance with central standards and guidance such as the Financial Reporting Manual (FReM) and International Financial Reporting Standards (IFRS). I am attaching a one page illustration of the Assurance Framework for the Committee's information.

***Recommendation 9***

*The Committee encourages organisations funded by public money to consider how they present information to ensure that it is readily understandable for the public, and that shows the organisation's priorities and the level of resource committed to those priorities.*

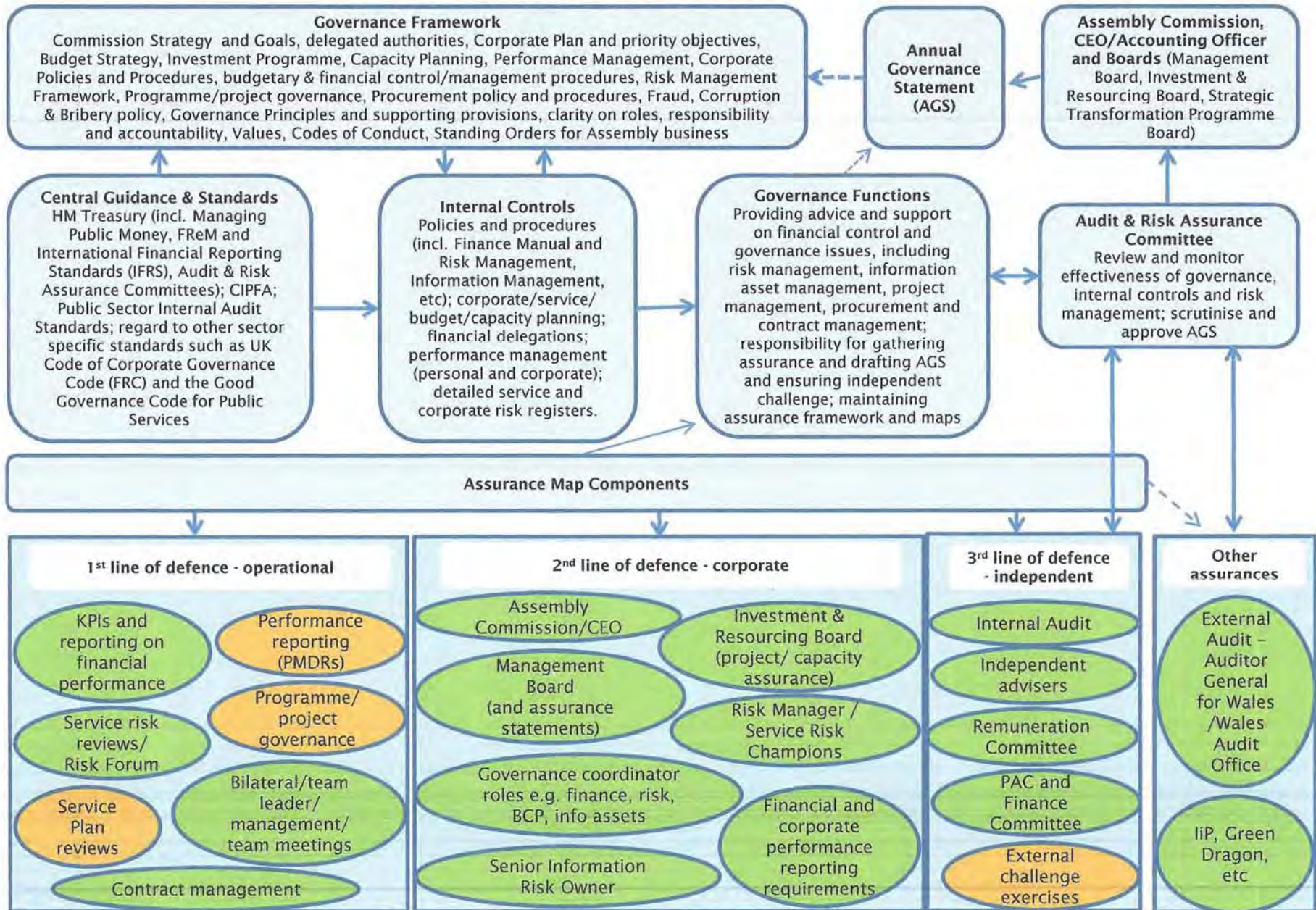
Each year our aim is to produce documents, particularly our budget, annual accounts and corporate performance report, which are clear, transparent and accessible. We regularly look at the practice in other organisations and take on board suggestions from our independent advisers, auditors and others to ensure that we continuously improve and consistently deliver best practice.

Yours sincerely

**David Melding AM**  
**Deputy Presiding Officer**

cc Dame Rosemary Butler AM, Assembly Commission Chair  
Peter Black AM, Assembly Commissioner  
Sandy Mewies AM, Assembly Commissioner  
Rhodri Glyn Thomas AM, Assembly Commissioner

# Assembly Commission Assurance Framework



RED: There is currently insufficient assurance and immediate action is needed to address this.

AMBER: There are weaknesses in assurances which must be addressed.

GREEN: There is sufficient or strong assurance.

David Melding AM  
Deputy Presiding Officer  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

## Public Accounts Committee Report on the Scrutiny of Accounts 2013–14

19 May 2015

Dear David,

Thank you for your letter of 7 May in which you advise how the Assembly Commission is taking forward the recommendations made by the Committee in its report.

The Committee was encouraged to note that the Commission has taken the recommendations on board and that the 2014–15 accounts will reflect this. However, regarding recommendation 7, I would be grateful if you can provide evidence as to how a target of a one per cent underspend or less against the operational budget helps to secure value for money for taxpayers.

While the policy of having such a target would not be for the Public Accounts Committee to consider, we are of the opinion that such a target may undermine the incentive to minimise spending by the Commission.

I would like to reassure you that the Public Accounts Committee would not take issue with the Commission, or any organisation, achieving an underspend if it had been able to deliver its service effectively, properly and efficiently.

Yours sincerely,



Darren Millar AM  
Chair



cc Dame Rosemary Butler AM, Assembly Commission Chair  
Peter Black AM, Assembly Commissioner  
Sandy Mewies AM, Assembly Commissioner  
Rhodri Glyn Thomas AM, Assembly Commissioner







Darren Millar AM  
Chair  
Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

1 June 2015

Dear Darren

Thank you for your letter of 19 May. The Commission met on 21 May and took the opportunity to discuss your letter. We agreed that, given the way in which we set and control our budget, we do not believe that underspending should be viewed as a positive achievement. In this letter I will explain why we consider that the Commission's approach is robust and delivers value for money.

Throughout the Fourth Assembly, the Commission has taken a strategic approach to budget planning, with a budget strategy for the full duration of the Assembly and multiple year budgets. This approach has delivered greater clarity, transparency and consistency. It has been approved year on year by the Finance Committee and by the Assembly as a whole. Underpinning the budget strategy, we have detailed plans which allow us to take a long term view of spending requirements. As a good example of this, a plan for maintenance and refurbishment was developed for us by experts who reviewed the condition of all our buildings and equipment and plant, together with forecast lifespans and timetables for refurbishment and replacement. As a result we have a schedule of required work spanning ten years that we use to inform our investment decisions for the estate.

Of course, as you know, the Commission has an annual budget and has no facility to carry over funds from one year to the next. However, having clear plans about work that we know will be required, allows us prioritise and make considered, well-judged use of our annual budgets. The alternative, if we were not sufficiently well organised to take this longer term view, would be to report and surrender underspends in one year and then ask for the funds again in subsequent years to carry out the necessary

Bae Caerdydd  
Caerdydd  
CF99 1NA  
Cardiff Bay  
Cardiff  
CF99 1NA

Ffôn/Tel: 029 2089 8430

Ebost/Email: [david.melding@wales.gov.uk](mailto:david.melding@wales.gov.uk)



work; this practice would simply be deferring expenditure and provide no indication whatsoever of efficiency or value for money.

The Accounting Officer has established an Investment and Resourcing Board as the decision making body for resourcing in the Assembly, which provides challenge and review for all resource decisions ranging from staff recruitment through to project funds or additional operational expenditure. Throughout the financial year, the Board balances the availability of funds with the needs of projects and services over multiple years to ensure its investment in the Assembly is properly scrutinised, prioritised and managed.

Every letter of Delegation which the Accounting Officer issues to relevant Commission staff includes the following requirement: *“You must commit your budget in a manner which is consistent with Value for Money, i.e. every £1 spent supporting the Assembly should represent good value for money, and resources should be used in the most appropriate way to deliver effective services to the Assembly and to the people of Wales.”* Expenditure on items that are not needed, and that do not help to deliver the Commission’s strategic goals, is simply not tolerated.

Like the PAC, the Assembly Commission believes that securing value for money is vital. Indeed, an internal audit report from March 2015 concluded that *“the Assembly Commission has a well-developed value for money culture in place and this culture is embedded throughout the organisation”*. Throughout this Assembly one of our strategic goals has been to “use resources wisely”. As I explained in my letter of 7 May, to strengthen our approach further we are shifting the focus of our value for money target from vacancy management to gains from projects in benefits realisation, Assembly services and procurement delivering successful contract negotiations that result in tangible savings. Our 1% target for spend against budget is not intended to be a VFM indicator. Rather, it is one measure of whether we are managing our business well and delivering what we say we will. The full suite of measures published in our regular Corporate Performance Reports provide comprehensive information by which we can be judged. This in turn is part of our Assurance Framework, which is independently tested in a number of ways. Together, all these elements provide assurance that the Commission uses its resources efficiently, economically and effectively, avoiding waste and extravagance, entirely in line with best practice set out in HM Treasury guidance.

Although we may disagree on some aspects of the approach, I believe that the PAC and Commission are as one on our objectives, namely to deliver the high quality services that the Assembly at best value to the public purse. In our view, the best way to achieve that is to ensure that our budget planning is expert, thorough,



transparent and subject to proper scrutiny. It is then incumbent on us to ensure that the money assigned to the Commission is well spent. We believe that our approach delivers value for the taxpayer in a way that is more open and effective than having a target to underspend.

Thank you again for challenging us to reflect on our approach. I hope that this response is helpful and received by the Committee in the positive way it is intended.

Yours sincerely

**David Melding AM**  
**Deputy Presiding Officer**

Sir Derek Jones KCB  
Ysgrifennydd Parhaol  
Permanent Secretary



Llywodraeth Cymru  
Welsh Government

Darren Millar AM  
Chair of the Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

*Dear Darren,*

*20<sup>th</sup>* April 2015

**PUBLIC ACCOUNTS COMMITTEE REPORT ON THE SCRUTINY OF ACCOUNTS  
2013-14**

**RESPONSE TO THE REPORT**

Please find enclosed a copy of the response to the above report which will be laid before the Table Office.

I would like to thank you and the Committee for the careful and considered way in which you undertook the investigation and produced the report.

*Yours,  
Derek*



**BUDDSODDWYR | INVESTORS  
MEWN POBL | IN PEOPLE**

Parc Cathays • Cathays Park  
Caerdydd • Cardiff  
CF10 3NQ  
Ffôn • Tel 02920 823289  
[PS.PermanentSecretary@wales.gsi.gov.uk](mailto:PS.PermanentSecretary@wales.gsi.gov.uk)  
Gwefan • Website: [www.wales.gov.uk](http://www.wales.gov.uk)

## **Response to the Report of the National Assembly for Wales Public Accounts Committee Report on the Scrutiny of Accounts 2013-14**

I welcome the findings of the report and offer the following response to the three recommendations contained within it that relate to the Welsh Government Accounts for 2013-14.

**Recommendation 4.** If the current funding relationship continues, the Welsh Government should communicate its decision at an early stage on the funding available to the Commissioners. These budgets should then be protected from later in year departmental reductions. (Page 31)

The spirit of the recommendation is accepted. As its financial powers develop the Welsh Government is in the process of reviewing budget processes and timetable to provide an appropriate budget process for Wales. The PAC will be aware of the ongoing work with the Finance Committee in this area and that Committee's Inquiry into Best Practice Budget Processes. The Welsh Government has always respected Commissioners' need for operational independence and would therefore seek to provide as much certainty as possible for them. Responsible Ministers have the flexibility to agree budgets for any bodies which they fund, however whilst it is not the wish to reduce any budget after it has been allocated, it is not possible to provide absolute guarantees. While the situation will be avoided where possible, there may be instances where the pressures and uncertainties within the overall Budget necessitate this action.

**Recommendation 7.** The National Assembly for Wales's Commission and Welsh Government should set out in their budgets and accounts their approach to financial management – in particular their target for underspends. (Page 42)

The recommendation is accepted. The general approach to the Welsh Government's financial position in any year is clearly set out in its budgetary documentation. These contain details of the allocations and budgetary cover the Welsh Government holds in reserve to help manage the financial position. Supplementary Budgets build on this providing details of the levels of underspend managed within, as part of the UK Government's Budget Exchange System, and reserves held at the year end. Finally, a separate report on outturn, which the Welsh Government provides the Finance Committee, describes performance against the both budgets agreed by the National Assembly and against UK Government controls. The report for 2013-14 detailed underspends of 0.1% against Fiscal Resource and 0.7% Capital budgets as approved in the Second Supplementary Budget for that year. The Welsh Government annual accounts comply in full with the Financial Reporting Manual (FReM) which prescribes the information to be published by all central government bodies within the UK.

**Recommendation 9.** The Committee encourages organisations funded by public money to consider how they present information to ensure that it is readily understandable for the public, and that shows the organisation's priorities and the level of resource committed to those priorities. (Page 47)

The recommendation is accepted. The annual accounts for central Government Departments including the Welsh Government are prepared using the UK Financial Reporting Manual (FReM). The 'simplifying and improving project' has been considering the contents of the FReM with the sole purpose of ensuring that the format and content of the accounts are made more understandable for the reader. The Welsh Government supported by the Wales Audit Office has fully engaged with this work and, in line with other central Government Departments, will introduce the recommended changes at the end of 2015-16. The Welsh Government is also leading a pilot project alongside other public sector bodies in Wales, including the Wales Audit Office, aimed at exploring how financial and non-financial information is presented together in a more coherent and accessible way. This project (Integrated Reporting or IR) is part of a wider piece of work being undertaken across organisations within the UK and is being supported by the accountancy body CIPFA. An integrated report should be able to deliver a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term. The potential changes in the way public bodies present performance information are substantial and, therefore, the pilot is not due to complete until 2017-18.



Darren Millar AC  
Cadeirydd  
Y Pwyllgor Cyfrifon Cyhoeddus  
Cynulliad Cenedlaethol Cymru  
Caerdydd  
CF99 1NA

23/03/2015

Annwyl *Darren*,

### **Craffu ar Gyfrifon ar gyfer 2013-14**

Diolch am eich llythyr dyddiedig 20/03/2015 ynghyd a'ch gwahoddiad i ymateb i'r argymhellion yn yr adroddiad sy'n berthnasol i Gomisiynydd y Gymraeg. Derbyniwyd yr adroddiad dan embargo, y diwrnod cyn ei gyhoeddi, ar 06/03/2015.

Yn gyntaf hoffwn godi eich sylw ar gamgymeriad ffeithiol yn yr adroddiad ar dudalen 9 paragraff 10; lle nodir bod gan Gomisiynydd y Gymraeg gyllideb o £4.3m. Yn y paragraff cyntaf o'r cyfrifon "Crynodeb ariannol, cymdeithasol ac amgylcheddol 2013-14" datgelir mai £4.1m oedd y cyllid a ddyrannwyd gan Weinidogion Cymru ar gyfer y flwyddyn ariannol 2013-14. Roedd y gwariant ar gyfer y flwyddyn hon yn £4.3m fel y nodir yn y Datganiad Gwariant Net Cynhwysfawr.

Er mwyn osgoi camgymeriadau tebyg yn y dyfodol a fyddai'n bosib dosbarthu fersiwn drafft o'r adroddiad er mwyn gwirio a chywiro unrhyw faterion ffeithiol, cyn cyhoeddi'r adroddiad?

Comisiynydd y Gymraeg  
Siambrau'r Farchnad  
5-7 Heol Eglwys Fair  
Caerdydd CF10 1AT

0845 6033 221  
post@comisiynyddygyymraeg.org  
Croesewir gohebiaeth yn y Gymraeg a'r Saesneg

comisiynyddygyymraeg.org

Welsh Language Commissioner  
Market Chambers  
5-7 St Mary Street  
Cardiff CF10 1AT

0845 6033 221  
post@welshlanguagecommissioner.org  
Correspondence welcomed in Welsh and English

welshlanguagecommissioner.org



I ymateb i'r argymhellion yn yr adroddiad, mae pedwar ohonynt yn berthnasol i Gomisiynydd y Gymraeg.

### **Argymhelliad 3: gweithio'n effeithlon a chydweithredu**

Cynhelir cyfarfodydd rheolaidd rhwng y Comisiynwyr i drafod materion perthnasol. Hefyd mae fy swyddogion yn mynychu cyfarfodydd chwarterol o grŵp y "Cyfarwyddwyr Cyllid ac Adnoddau CNLC", a'r is-grwpiau Cyllid, Adnoddau Dynol a Thechnoleg Gwybodaeth. Mae'r fforymau hyn yn ddefnyddiol rannu gwybodaeth, arfer da a chydweithredu. Yn ogystal â chyfarfodydd ffurfiol mae'r swyddogion yn defnyddio cysylltiadau yn y rhwydweithiau hyn i hwyluso cydweithredu a rhannu gwybodaeth a syniadau.

### **Argymhelliad 5: cyfrifoldebau sydd wedi eu dirprwyo**

Yn unol ag adrannau 12 a 13 Mesur y Gymraeg (Cymru) 2011, penodwyd dirprwy Gomisiynydd. Mae'r dirprwy Gomisiynydd yn gweithredu swyddogaethau'r Comisiynydd yn ystod cyfnod gwyliau, salwch neu unrhyw adeg arall ar gais y Comisiynydd, fel y nodir yn natganiad llywodraethiant Adroddiad Blynyddol 2013-14.

Hefyd nodir yn yr Adroddiad Blynyddol bod y Tîm Rheoli, sy'n "cael ei gadeirio gan y Comisiynydd ac yn cynnwys yr holl gyfarwyddwyr, yn rheoli holl swyddogaethau a gweithgareddau'r Comisiynydd. Y Tîm Rheoli sy'n gyfrifol am arwain, cytuno a chyflawni gweledigaeth strategol y Comisiynydd, polisïau a gwasanaethau i'r cyhoedd a rhanddeiliaid eraill. Mae cylch gorchwyl y Tîm Rheoli wedi ei gyhoeddi ar wefan y Comisiynydd."

### **Argymhelliad 8: lefel a defnydd y gronfa wrth gefn**

Cafod datganiad ynglŷn â lefel y gronfa wrth gefn, defnydd o'r gronfa a sut y daethpwyd i'r casgliad hwn ei nodi yn Adroddiad Blynyddol 2013-14 ac yn yr Amcangyfrif ar gyfer 2015-16. Rwyf wedi derbyn a gweithredu'r argymhelliad yn barod, a bydd y drefn yma yn parhau.





Comisiynydd y  
Gymraeg  
Welsh Language  
Commissioner

### **Argymhelliad 9: cyflwyno gwybodaeth sy'n hawdd i'w ddeall**

Rwyf yn ymwybodol o adroddiad Prif Ysgrifennydd y Trysorlys "*Simplifying and streamlining statutory annual report and accounts*" a gyhoeddwyd ym mis Gorffennaf 2014, i'w fabwysiadu ar gyfer adroddiadau blynyddol a chyfrifon 2015-16. Fel y nodir yng nghrynodeb gweithredol yr adroddiad y nod yw "cwrdd ag anghenion y defnyddwyr yn well" drwy "integreiddio'r tair elfen o berfformiad, atebolrwydd a'r datganiadau ariannol".

Mae fy swyddogion wedi bod yn ystyried goblygiadau'r adroddiad, wedi cynnal cyfarfodydd gyda'r tîm o Swyddfa Archwilio Cymru, rhannu syniadau gyda Chomisiynwyr eraill, gan ddod i gasgliadau ynglŷn â sut bydd yr Adroddiad Blynyddol yn cael ei newid a'i ddiwygio i ymateb i ofynion yr adroddiad. Y bwriad yw mabwysiadu'r argymhellion ar gyfer y flwyddyn ariannol 2014-15, sef blwyddyn yn gynnar, a datblygu hyn yn bellach ar gyfer 2015-16.

Yr eiddoch yn gywir,

**Meri Huws**  
Comisiynydd y Gymraeg

Copi:

**Michael Kay**  
Clerc

Darren Millar AC  
Chair  
Public Accounts Committee  
National Assembly for Wales  
Cardiff  
CF99 1NA  
*23/03/2015*

*Dear Darren*

Scrutiny of accounts for 2013–14

Thank you for your letter dated 20/03/2015, along with your invitation to respond to the recommendations in the report that relate to the Welsh Language Commissioner. The report was received under embargo, the day before its publication, on 06/03/2015.

First, I would like to draw your attention to a factual error in paragraph 10 on page 9 of the report, which states that the Welsh Language Commissioner has a budget of £4.3 million. The first paragraph of the accounts—the financial, social and environmental summary for 2013–14—reveals that the funding allocated by Welsh Ministers for the 2013–14 financial year was £4.1 million. Expenditure for this year stands at £4.3 million, as is noted in the Statement of Comprehensive Net Expenditure.

To avoid similar errors in the future, would it be possible to distribute a draft version of the report that can be checked and corrected in respect of any factual issues before publication?

In terms of responding to the recommendations in the report, four of these are relevant to the Welsh Language Commissioner.

### **Recommendation 3: working efficiently and collaboration**

The Commissioners hold regular meetings to discuss relevant issues. In addition, my officials also attend quarterly meetings of the WGSB Directors of Finance and

Resources group, and meetings of the Finance, Resources and Information Technology sub-groups. These forums are useful for sharing information and good practice, and for collaboration. In addition to formal meetings, officials use the contacts forged in these networks to facilitate collaboration and to share information and ideas.

#### **Recommendation 5: delegated responsibilities**

In accordance with sections 12 and 13 of the Welsh Language (Wales) Measure 2011, a deputy Commissioner has been appointed. The deputy Commissioner carries out the functions of the Commissioner during periods of leave or sickness, or during other periods requested by the Commissioner, as set out in the governance statement of the 2013–14 Annual Report. The Annual Report also notes that the Management Team, “chaired by the Commissioner, and comprising all directors, exercises management of the Commissioner’s functions and activities. The Management Team is responsible for leading, agreeing and delivering the Commissioner’s strategic vision, policies and services to the public and other stakeholders. The Management Team’s terms of reference is published on the Commissioner’s website.”

#### **Recommendation 8: level and use of reserves**

A statement regarding the level of reserves, the use of reserves and how this conclusion was reached was included in the 2013–14 Annual Report and in the Estimate for 2015–16. I have already accepted and implemented this recommendation, and this system will remain in place.

#### **Recommendation 9: presenting information that is readily understandable**

I am aware of the report by the Chief Secretary to the Treasury, "Simplifying and streamlining statutory annual report and accounts", which was published in July 2014, to be adopted for the annual reports and accounts for 2015–16. As is stated in the report's executive summary, the aim is to better meet the needs of users by integrating the three reporting element: performance, accountability and financial statements. My officials have been considering the implications of the report. The have held meetings with the Wales Audit Office team and shared ideas with with

other Commissioners, and they have formed conclusions regarding how the Annual Report will be amended in response to the requirements of the report. The aim is to adopt the recommendations for the 2014–15 financial year, which is a year early, and to develop things further for 2015–16.

Yours sincerely,

**Meri Huws**

Welsh Language Commissioner

Copy:

Michael Kay

Clerk

Darren Millar AM  
Chair Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay

28 April 2015

Dear Chair

We are writing in response to the report of the National Assembly's Public Accounts Committee, published in March 2015.

We welcome the report and will be making reference to it within the Governance Statements that appear as part of our individual Annual Accounts for 2014-15, highlighting that we will take on board the relevant recommendations and that joint action is already in hand to work further towards meeting them during 2015-16.

We have already identified the following potential areas of potential collaboration for 2015-16:

- Review and update the existing Memorandum(s) of Understanding between the organisations and put in place one joint agreement.
- Accounting Officers will continue to meet regularly to share planned work programmes, identify opportunities for joint working and sharing of knowledge, skills and experience.
- To consolidate our staff learning and development programmes to achieve better value for money in securing externally delivered training and in sharing knowledge, skills and experience across the organisations for internally delivered training.
- To work together on the required review of our existing Strategic Equality plans as we all work towards revision and the requirement to have new plans ready for publication by April 2016.
- To explore the potential for the procurement of a common internal audit service provider to maximise potential for benchmarking across similar type organisations within Wales.

As the report acknowledged there is little to be saved financially from sharing 'back office' functions. Our finance, ICT and HR staff who enable the delivery of our objectives, do already work collaboratively, when appropriate, through a shared network with Welsh Government Sponsored Bodies and will continue to do so alongside Wales Audit Office, National Procurement Service and others. We will however look to identify opportunities to work towards any pooled arrangement for sharing knowledge, skills and experience, and there may be other smaller public bodies who would be interested in joining with us.

Independence is a defining feature of any rights based organisation and is viewed by others as a source of legitimacy and authority. It is therefore welcomed that the Committee noted the strong governance argument in favour of a more consistent approach to funding Commissioners that in our view could only strengthen existing accountability arrangements.

We are aware that Meri Huws has already provided you with a written response to the report but the Welsh Language Commissioner will be working with us on the joint action noted above. We trust that this initial response meets with your expectations and we will provide you with an update on progress during 2015-16.

Yours sincerely



**Older People's Commissioner for Wales**



**Public Services Ombudsman for Wales**



**Children's Commissioner for Wales**

cc Welsh Language Commissioner for Wales