

To: Scrutiny Committee

Date: 4 March 2014

Report of: Head of Customer Services

Title of Report: A report on the monitoring of Discretionary Housing Payments

Summary and Recommendations

Purpose of report: To provide an update on the monitoring and expenditure on the Discretionary Housing Payments budget

Report Approved by:

Finance:

Legal:

Policy Framework: Efficient, Effective Council

Recommendation(s): To note the monitoring arrangements in place, and expenditure to date.

APPENDICES:

Appendix 1 – Summary of DHP Expenditure

Appendix 2 – Case studies of customers not meeting conditionality requirements

INTRODUCTION

1. On 12 June 2013 The City's Executive Board agreed a new Discretionary Housing Payment (DHP) policy. This policy was inspected by the Scrutiny Committee at its meeting of 4 June 2013. One of the recommendations of the Committee was that they be involved in the on-going monitoring arrangements regarding the implementation of the DHP policy, and that reports be brought back to the Committee on a quarterly basis. This report provides the second update on DHP activity under the new policy.
2. Discretionary Housing Payments (DHP's) are monies allocated by local authorities under legislation set out in the Child Support, Pensions and

Social Security Act 2000 and The Discretionary Financial Assistance Regulations 2001 (SI2001/1167). In summary, the funds can be used to meet eligible rent for people already in receipt of Housing Benefit. The customer must make an application for the payment, and the Council must consider the applicants financial need if an award is to be made. In effect, the fund allows some local discretion to meet the needs that are not covered by the national Housing Benefit Scheme.

3. DHP is not a sustainable solution for people who have a shortfall between their Housing Benefit and rent costs. To this end the policy provides for awards to be: a) limited to three months in duration in most cases and b) for conditionality to be applied to the majority of awards.
4. The policy also makes provision for awards to be withdrawn if conditionality is not met. It is intended that any conditionality is designed to promote effective financial management, help support people into work, and or assist with reducing rent liability. Examples provided in the policy include attending work related coaching and seeking assistance to manage debts.

DHP PROCESS

5. The key determination in making a DHP award is whether someone is able to afford their HB shortfall, and this is done with reference to a detailed income and expenditure form which the customer fills in. The officer assessing the application will go back to the customer with any queries about the income and expenditure before making a decision.
6. When making an award, one or more conditions will usually be applied requiring the customer to take some specific actions in order to find a sustainable solution to their problem. The conditionality will relate to finding work, finding affordable accommodation and/or reducing expenditure.
7. Conditionality related to finding work usually requires engaging with one of our partners to deal with the barriers to work, provide access to training or ultimately find work. Our main partners are Prospect (formerly known as Skills (Training) UK), Jobcentre Plus, Aspire, Crisis Skylight and the CAB. They are helping customers overcome barriers of debt, security of tenure, lack of skills, perceived lack of employability and access to affordable childcare.
8. Conditionality relating to finding affordable accommodation involves registering on the housing list and bidding for properties, or actively participating in the mutual exchange scheme. Conditionality relating to reducing expenditure will involve obtaining debt advice, or taking action to reduce specific items of excessive expenditure identified on the Income & Expenditure form.
9. Customers are made aware that awards are for a short, defined period and may be cancelled if the agreed actions are not undertaken and that

repeat awards will not be made if conditionality has not been met. Awards are normally made for three months but each case is determined on its own merits.

10. Repeat applications may be made but will only be awarded if the conditions attached to the first award have been met. Customers requesting a repeat award must also have an interview with the person assessing their application. More repeat awards have been made in the second half of the year as initial awards have expired. Many customers have multiple support needs, and for such people short awards of 4-6 weeks are typically made. This is to allow them to deal with one issue at a time. Earlier in the year, providing such people with multiple actions to undertake in one go, led to a failure in many of the actions being achieved.
11. Consistency is achieved in two ways. An officer has been appointed who will deal with all new DHP applications. Secondly a 10% check of cases is made by a manager to ensure the DHP policy is being followed.
12. The aim of the DHP policy is to ensure sustainable solutions are found for people facing reductions in their Housing Benefit. However, during the year twelve cases have been identified which have no immediate prospect of finding a sustainable solution. Due to the vulnerability, and the high risk of homelessness in these cases DHP's will continue to be applied whilst support is provided. These cases are closely monitored and are discussed in case review meetings with colleagues in Community Housing.

DHP BUDGET

13. As at the end of January forecast expenditure to the end of the year is £368,252.33 against a budget of £625,369. This budget includes £100,000 provided from Housing to top up our government grant. Appendix 1 attached provides further details of the expenditure.
14. Whilst additional DHP expenditure will be incurred up until the end of March, annual expenditure will be significantly less than our grant. This is due to the budget being managed in a prudent and consistent manner. Applications for support have only been turned down, if the customer had sufficient income to pay their Housing Benefit shortfall, or if they would not undertake any conditions attached to their award. This latter group is very small in number, and is detailed in paragraph 18 below.
15. The Department of Work & Pensions has advised the Council that our DHP grant for 2014/15 will be £514,496.

DATA ANALYSIS

16. The data in Appendix 1 shows that nearly half of all DHP applications (377) made cite the Under Occupancy Regulations as the reason for the application. In comparison, there have only been 192 applications due to the reduction in Local Housing Allowance rates, from a potential claimant population of nearly 3,500. The Welfare Reform Team will be undertaking more work with private sector tenants from April, which will increase the number of applications from this sector or illuminate the reasons as to why applications are so low.

17. As at the end of January there are 337 cases where repeat awards have been made:
 - 84 cases have had 2 awards
 - 31 cases have had 3 awards
 - 10 cases have had 4 awards
 - 6 cases have had 5 awards
 - 1 case has had 6 awards

18. Since the new DHP policy was approved in June this year, conditionality has been applied to nearly every successful DHP application. So far there have only been five cases where we have not been able to provide further support due to conditionality not being kept. In addition there are 10 cases where an award was not initially made because the customer would not accept any conditions to an award. Overwhelmingly, the application of conditions to DHP awards is promoting positive action on behalf of recipients.

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Background papers:

Version number: 0.2

Appendix 2

Case Studies of people who have not met the conditions placed on their Discretionary Housing Payment awards.

Case Study 1:

Claimant is a Council Tenant who lives by herself, whose main income is Employment & Support Allowance. She is affected by the Bedroom Tax, which means her eligible rent is reduced by 25%. This has left her with a shortfall in her Housing Benefit of £26.12 per week.

A Discretionary Housing Payment was awarded in May 2013 for the period 1 April 2013 to 30 June 2013. The conditions applied were to look for a smaller property and to engage with the CAB for help with her debts. On 12 August 2013, an application for a repeat award was declined as these conditions had not been met. The tenant then advised us they couldn't downsize as her tenancy was in joint names, and she was trying to get this dissolved and put into her sole name. As such a further DHP award was made until the beginning of September, with the condition of looking for smaller accommodation again. When the case was reviewed in September, the condition had still not been met. The tenant had not bid for any properties and so no further DHP has been paid.

Case Study 2:

Claimant is a private tenant who is a single mother and lives with her 5 children (2 of whom are aged 16-19). She is affected by the Benefit Cap which has left her with a shortfall in her Housing Benefit of £178.40 per week. A DHP was awarded for three months from when the Benefit Cap was implemented in August. The condition applied was to learn English, as her inability to speak it well was a barrier to obtaining work. In November a renewal of the DHP was declined as she had not attended any English lessons. In February, we were advised that the claimant was now attending English classes, and the DHP award was reinstated.

Case Study 3:

Claimant is a council tenant living with her partner and 5 children. She was affected by the Benefit cap which has left her with a shortfall of £49.50 per week.

A DHP was awarded for three months from August to November on the condition that they maintain engagement with the Work Programme, and continue to look for work. Claimant's partner is qualified to teach but had not worked since November 2012. In November a further four week DHP was applied on the condition that he attended the Job Club.

In January we were advised that they had not attended the Job Club, so no further DHP was awarded. Subsequently the claimant's partner found work which paid sufficiently to mean they were no longer entitled to Housing Benefit.

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