

Appendix One

Legislative framework and Internal process

Legislative background

1. 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.

2. 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.

3. The policy also makes provision for awards to be withdrawn if conditionality is not met.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

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.