

To: Scrutiny Committee

Date: November 2014

Item No:

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 of the Discretionary Housing Payments budget.

Report Approved by:

Finance:

Legal:

Policy Framework: Efficient, Effective Council

Recommendation(s): To note the spend on Discretionary Housing Payments to 30th September 2014

APPENDICES:

Appendix 1 – Legislative background and process

Appendix 2 – Customer Case Studies

INTRODUCTION

1. On 12 June 2013 The City's Executive Board agreed a new Discretionary Housing Payment (DHP) policy. This policy was reviewed 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 regular basis. This report provides the position for the end of September 2014.
2. The aim of the new DHP policy is to support people to find long term solutions to the reduction in their benefits. By applying conditions to awards that are made, recipients work towards finding a sustainable solution so they do not require ongoing DHP payments in the longer term.

- Appendix 1 details the internal process for dealing with DHP's as well as outlining the legislative background.

SUMMARY OF EXPENDITURE

- Oxford City Council's DHP grant for 2014/15 is £514,496. Community Housing have made a further £100,000 available to increase the total amount to £614,496.
- At the end of September 2014, there had been 521 DHP awards made from 636 applications received, resulting in expenditure of £210,494. As many of these awards run beyond the end of September the amount of committed expenditure is £260,494. The projected expenditure for the end of the year is £524,605. The table below shows the breakdown of these awards by the different welfare reforms.

Reason for Award	No. of Awards	Amount
Benefit Cap	155	£166,208.80
Bedroom Tax	223	£47,767.06
LHA Restriction	141	£38,812.72
Combination of reforms	3	£4,295.22
Other*	22	£3,410.28
Total	544	£260,494.08

* "Other" relates to cases where the reason for application is not due to the reform of the benefits system.

- At the same time last year actual expenditure was £144,450 and committed expenditure £203,317. The main reason for the difference is the amount awarded to people affected by the Benefit Cap. The Cap was introduced in July 2013 so there was a reduced amount of expenditure on DHP for this reason in 2013/14 compared to the current year.

Longer term cases

- DHP is a short term measure to assist customers whilst they are supported to find sustainable solutions to their Housing Benefit shortfall. However, there are a number of customers who have been in receipt of DHP for longer periods. For example, some people affected by the Benefit Cap are a long way from the job market, with multiple barriers to work, and for some people impacted by the Bedroom Tax work may not be a realistic option and there is little suitable alternative accommodation. There are 102 households which have received repeat DHP awards over the last 18 months. The table below provides

a breakdown of these cases. To support these cases on an annual basis would cost £205,000.

Reason for application	Number of cases	Committed expenditure
Bedroom Tax	56	£24,583.42
Benefit Cap	39	£106,746.50
LHA	6	£4,622.22
Other	1	£404.76
Total	102	£136,356.90

Outcomes

8. So far this year there have been 114 cases where a DHP has been awarded and on expiry no further award has been made. Analysis of a representative sample of 50 cases has been conducted to understand the reasons for this. The most common outcome is that the customer has moved into work (20 cases) which is the most beneficial outcome for the customer. The table below shows the outcomes for the other cases.

Outcome	Reason for DHP	Number of cases
Found Work	Bedroom Tax	6
	Benefit Cap	11
	LHA	3
Exempting/Additional benefit applied for	Benefit Cap	4
	LHA	1
Not known, customer didn't reapply	Bedroom Tax	1
	Bedroom Tax	2
Other	Benefit Cap	1
	LHA	2
	LHA	2
Moved house	Bedroom Tax	5
Reached pension age	Bedroom Tax	2
Non dependant moved in	Bedroom Tax	2
Failed to meet previous conditions	Bedroom Tax	1
Family paying shortfall	Bedroom Tax	1
Took a lodger	Bedroom Tax	1
Mutual Exchange	Bedroom Tax	1
Non-dependant paying shortfall	Bedroom Tax	1
Stopped engaging	Benefit Cap	1
Tenant evicted	Benefit Cap	1
Went to university	LHA	1

Declined applications

9. There have been 115 unsuccessful applications so far this year. The most common reason for turning down an application is because the customer is judged to be able to afford the rental shortfall. There are 25 cases where there was no shortfall which suggests that the customer didn't really understand what they were applying for. We have worked with internal and external partners to ensure that they are aware of what DHP can be used for. The table below summarises the other reasons for turning down applications.

Reason for refusal:	
Income exceeds	36
Failed to meet conditions of previous award	6
Unwilling to accept conditions of award	8
No rent shortfall	25
Ineligible rent costs	3
Expensive rent	1
Failed to supply requested information	23
No longer affected by Welfare Reform	4
DHP would not sustain tenancy	3
Top-up payment provided by Housing	2
No long term plan to reduce reliance on DHP	2
Customer has no HB entitlement	2

10. Appendix 2 consists of four case studies which demonstrate the work undertaken to support DHP recipients, and the outcomes that are achieved.

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Background papers:

Version number: 0.2