

# Supplement for

## Housing and Homelessness Panel (Panel of the Scrutiny Committee)

On **Thursday 4 November 2021** At **6.00 pm**

### Agenda Item 6 - Discretionary Housing Payment Policy

#### Contents

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| <p>6. <b>Discretionary Housing Payment Policy</b></p> <p>Cabinet will, at its meeting on 10 November 2021, consider a report on Discretionary Housing Payment policy. The Panel is asked to consider the report and <b>AGREE</b> any recommendations it wishes to make to Cabinet arising from it.</p> <p>Councillor Shaista Aziz, Cabinet Member for Inclusive Communities, and James Pickering, Welfare Reform Manager will be available to present the report.</p> <p><b>**NB This report is to follow and will be issued as a supplement.**</b></p> | <p>3 - 42</p> |
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The agenda, reports and any additional supplements can be found together with this supplement on the committee meeting webpage.

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**To:** Cabinet  
**Date:** 10 November 2021  
**Report of:** Head of Housing Services  
**Title of Report:** Review of Discretionary Housing Payment Policy

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To seek approval to amend the current Discretionary Housing Payment Policy and to note the trends in expenditure detailed in the report.
<b>Key decision:</b>	Yes
<b>Cabinet Member:</b>	Councillor Shaista Aziz, Board Member for Inclusive Communities
<b>Corporate Priority:</b>	Support thriving communities
<b>Policy Framework:</b>	Corporate Plan; Financial Inclusion Strategy, Housing and Homelessness Strategy.
<b>Recommendation(s): That the Cabinet resolves to:</b>	
<ol style="list-style-type: none"><li>1. Approve the revised Discretionary Housing Payment Policy; and</li><li>2. Note the trends in expenditure detailed in the report.</li><li>3. To approve the use of the £223,729 as the first call against any forecast DHP overspend</li></ol>	

<b>Appendices</b>	
Appendix 1	Revised Discretionary Housing Payment Policy
Appendix 2	Case Studies
Appendix 3	Risk Register
Appendix 4	Equalities Impact Assessment
Appendix 5	DWP FAQs

### **Introduction and background**

1. On 12 June 2013 the City Executive Board (CEB) approved a new Discretionary Housing Payment (DHP) Policy. The policy made significant changes to the way the Council administered DHPs. The most significant change was that awards would be subject to an agreed action plan to improve the applicant's financial sustainability. Against a backdrop of significant welfare reform and consequent reductions in benefit entitlement, this approach was introduced to ensure that people being supported with DHPs were taking steps to find more sustainable solutions to their situation. Since 2013 the policy has been reviewed regularly to help manage expenditure in line with changes to the DHP grant provided by the Government.
2. The Welfare Reform Team has reviewed the existing policy in light of the anticipated increase in demand for support as a result of the economic impact of the Covid19 pandemic. The revised policy is set out in Appendix One to this report.
3. Government funding for DHPs has fluctuated in recent years to meet the Department of Work & Pensions' (DWP) assessment of need. As such, the policy sets out how the Council will work alongside applicants to ensure that a long term reliance on DHPs is not created that may not be possible for the Council to honour in the future.

4. The Council's DHP grant is £357,862 for this financial year, a decrease of £101,330 from our grant of £459,192 in 2020/21. The DWP's total DHP grant for 2021/22 is £140m, down from £179m in 2020/21.
5. As a result of Covid-19 the DWP have decided to allocate funds to Local Authorities in 2 separate payments; April and September 2021. According to a FAQ circulated by the DWP, it is explained that the funding reduction is because of the increase in Local Housing Allowance (LHA) levels and that the DWP wanted to retain some funding for the end of the furlough scheme and eviction ban to ensure funding reaches those most in need. A copy of the FAQs are contained in Appendix 5.
6. The Council also wrote to the Secretary of State in April 2021 to express its concerns about the impact on Oxford residents as a result of the Council's DHP grant for 2021/22, no response was received.

### **Expenditure**

7. The table below summarises the Council's DHP expenditure since 2013.

<b>Table 1 - Annual DHP Expenditure and Grant since 2013/14</b>			
<b>Year</b>	<b>Grant</b>	<b>Expenditure</b>	<b>Percentage of Grant*</b>
2013/14	£525,369	£431,244	82%
2014/15	£514,496	£476,147	92%
2015/16	£288,092	£270,505	94%
2016/17	£376,792	£379,009	101%
2017/18	£509,495	£494,566	97%
2018/19	£405,010	£377,039	93%
2019/20	£336,825	£409,108	121%
2020/21	£459,192	£560,937	122%

\* Rounded to nearest whole number

8. In 2020/21 641 DHP applications were received from 411 individual residents. 546 (85%) applications were successful which matches the success rate for 2019/20. DHP awards are typically made for short periods to facilitate close joint working between residents and caseworkers but can be renewed, with each renewal counting as a new application, leading to the difference between the number of applications and residents. In 2020/21, 141 residents received a second DHP award and 91 received three awards or more.
9. Although it is the Council's intention to award DHP for short periods, 41 residents last year were in receipt of DHP for over one year, and 20 residents for over 2 years. This is a significant reduction on the equivalent figures for 2015/16 when 149 awards were made to residents who had been in receipt of DHP for over a year. This reflects the positive outcomes that residents have been able to achieve whilst engaged with the Welfare Reform Team. Those in receipt of DHP for longer periods of time tend to be residents with more complex needs, or those with no practical options to change their circumstances. The Council has also experienced customers spending longer with the team during 2020/21 due to the pandemic as customers had limited options available to them as a result of national lockdowns and other restrictions.
10. 95 applications were turned down in 2020/21 compared to 90 in 2019/20. The most common reason to turn down applications in the last three years has been that the application "doesn't meet DHP Policy criteria" and 87 cases were turned down over the 3 year period for this reason. The cases will typically fall within section 2.4 of the DHP Policy, which outlines the circumstances where an award of DHP is not normally intended (see Appendix 1).

<b>Table 2 - Top 5 reasons for refusing DHP 2020/21</b>		
<b>Reason for refusal</b>	<b>2020/21 Nos</b>	<b>2019/20 Nos</b>
Doesn't meet DHP policy criteria	27	23
Resident has no rent shortfall	25	17

Failed to supply requested information	17	7
Can now afford shortfall	11	8
Means tested shortfall only	4	12

11. Table 3 compares the details of the Council's DHP awards and expenditure by benefit category for all years since 2013/14, when the Benefit Cap and Bedroom Tax were introduced. The category of "Other" relates to circumstances where an applicant is not entitled to full Housing Benefit. This will usually be as a result of having greater income than the minimum level which attracts full Housing Benefit or due to deductions made in respect of non-dependant adults living at the property. The total expenditure for each year in Table 3 doesn't match the yearly expenditures in Table 1, this is because Table 1 presents expenditure after overpayments of DHP are collected.

12.

<b>Table 3 - DHP expenditure categorised by welfare reform type</b>					
	Benefit Cap	Bedroom Tax	Local Housing Allowance	Combination of reforms	Other
2013/14	£213,065	£124,386	£93,005	£1,681	£12,550
2014/15	£224,293	£95,135	£121,441	£5,410	£29,870
2015/16	£128,180	£40,860	£83,006	£1,219	£17,240
2016/17	£237,161	£38,136	£92,370	£636	£10,812
2017/18	£418,410	£31,037	£71,532	£1,670	£6,591
2018/19	£295,313	£40,996	£83,408	£2,584	£20,831
2019/20	£261,917	£52,624	£105,109	£9,849	£7,356
2020/21	£335,426	£57,681	£92,782	£62,357	£20,545

13. Clearly the main driver of DHP expenditure for the Council is the Benefit Cap. Since the Benefit Cap was reduced from £26,000 to £20,000 in November 2016, 346 residents have gained an exemption from the Benefit Cap with the support of the Welfare Reform Team, 193 of whom have found sustainable employment. Payment of DHP allows a resident the time and space to work with the Welfare

Reform Team to obtain a welfare benefit which qualifies them for an exemption from the Benefit Cap. Appendix 2 to this report contains a couple of case studies which illustrate how the payment of DHP facilitates the Welfare Reform Team to support residents affected by the Government's welfare reform agenda.

14. Each DHP award requires an action plan to be agreed so that residents are supported to manage their financial shortfalls themselves. The top five actions agreed for the last two years are shown in the table below. An action plan would not be agreed for awards made for a short fixed period, such as supporting someone temporarily under-occupying a property whilst pregnant. There have only been 22 awards made without conditions in the last two years.

<b>Table 4 – Top 5 conditions for DHP awards 2020/21</b>		
<b>Agreed action</b>	<b>Conditions Totals 2019/20</b>	<b>Conditions Totals 2020/21</b>
Look for work	165	256
Apply for another benefit	181	163
Look for smaller accommodation	66	89
Obtain Debt advice	75	78
Engage with another support service	62	54

### **Monitoring**

15. The consistency of decision making will continue to be monitored by undertaking a check on 10% of all applications, whether successful or unsuccessful. DHP expenditure is also tracked on a weekly basis. On a monthly basis expenditure is reported to management, and a forecast for the annual expenditure is made so that budget pressures can be identified as early as possible.

### **Policy Changes**

16. Views on policy changes were sought from frontline teams within the Council, as well as the advice sector. The main objective of the DHP policy remains unchanged. This is to provide short term relief to applicants in order to give them time to find more sustainable solutions to their financial situation. The following paragraphs outline amendments that have been made to the policy.

17. Paragraph 1.2 of the policy outlines some specific objectives of the DHP policy. The revised version of the policy strengthens the links to the Council's Housing and Homelessness Strategy.

18. Paragraph 2.1 of the policy has been updated to reflect the development of an online application form that can be used to make DHP applications.

19. Paragraph 2.4 of the policy covers situations in which the Council will not usually award a DHP unless to do so would strongly support the policy objectives. The revised version of the policy strengthens the wording to make it clear that

creating a reliance on DHP is not practical due to the fluctuating DWP grants each year.

## **Promotion of DHPs**

20. The majority of DHP applicants are now in receipt of Universal Credit (UC) which is administered by DWP, instead of Housing Benefit (HB), which is administered by Oxford City Council. This makes it harder to identify people likely to be entitled to a DHP because DWP does not share this data with the Council. The Welfare Reform Team has worked closely with DWP locally, in the form of the Oxford Jobcentre to promote DHPs and until the pandemic were co-locating with them for two mornings per week.

21. The Jobcentre refers residents where a benefit shortfall is identified, or where a household is struggling to pay its rent. A relationship has also been established with the service centre which processes UC claims for Oxford. Service centre staff directly message residents affected by the Benefit Cap to signpost them to the Welfare Reform Team. DHPs are also promoted through partners including the advice sector, and providers of housing support.

22. In addition the Welfare Reform Team also use data from Housing Benefit and Local Council Tax Reduction recipients to identify households where we believe they may be affected by the Benefit Cap following a change in their circumstances. This work is carried out on a monthly basis and results in us proactively reaching out to customers to offer support. Since April 2021 we have identified 22 families, all of which are renting in the private sector. Of these 22, 3 have entered employment and 6 are in receipt of a DHP. The remainder have either chosen not to engage with us or have been contacted very recently,

## **Financial implications**

23. Last year's DHP grant was overspent by £101,745. This was mitigated by a £44,501 contribution from the Syrian Vulnerable Persons Resettlement Scheme (SVPRS) (funded by the Home Office), and £57,244 from the Housing Revenue

Account (HRA). The SVPRS scheme was able to contribute due to households on the scheme receiving DHP awards, with several families significantly impacted by the Benefit Cap. Local Authorities can use funding from the HRA subject to the Secretary of State's approval to cover the costs of DHPs paid to council tenants. These sources of funding would also be available to mitigate any overspend in the current financial year.

24. Oxford's DHP grant from central government for 2021/22 is £357,862 as detailed in paragraphs 3 and 4. Regulations permit local authorities to spend two and a half times their annual grant on DHPs and therefore in 2021/22 a maximum of £894,655 can be spent on DHP, provided the Council funds the difference. Where DHP provides financial support for council tenants, subject to approval by the Secretary of State, funds can be transferred from the HRA to offset this at the end of the financial year. Any underspent DHP grant funds are paid back to central government.

25. By making effective use of the Discretionary Housing Payment budget, and targeting awards effectively, the Council will save on the costs of placing people in temporary accommodation or supporting people who are homeless. Typically the cost of placing someone in temporary accommodation can be 18 times that of sustaining a tenancy using DHPs. To date this year the Welfare Reform Team have prevented homelessness for 80 households, 30 of which have gone into employment and continue to work with a further 171 households (it should be noted that not all of which are in receipt of a DHP).

26. DHP expenditure up to 31<sup>st</sup> August 2021 was £250,779 which is 70% of this year's DHP grant. Our forecasted expenditure as at the 31<sup>st</sup> August 2021 is indicated at circa £577k (although it is worth noting that this forecast is decreasing month on month and was £658k in June 2021 and £605k in July 2021).

27. Demand for DHP's has increased since June 2020 due to the economic impact of Covid-19, and whilst the restrictions have lifted the Council is still experiencing high levels of demand from customers approaching the Council with highly

complex issues where no real short term solution is available. It is believed that the continued increase in demand is a direct result of the furlough scheme ending/unemployment rising as well as the end of the eviction ban with no mitigation brought forward by the Government to support households forced into rent arrears. These pressures indicate a significant risk of overspending the DHP grant this year to circa £82,000.

28. In light of the potential overspend mitigations have been put in place, these include:

- The Council has successfully sought permission from the Secretary of State to transfer funds from the HRA to cover any DHP expenditure made to Council Tenants. Based on expenditure to date the forecast for this is £52,000.
- The Council has successfully bid into the Containing Outbreak Management Fund (COMF) for £50,000 to top up the DHP fund.
- The Council has made provision within the SVPRS budget to cover any DHPs made, it is anticipated this will be around £35,000 for 2021/22.
- Operational changes have been made to the amounts awarded to those renting in the private sector who are benefit cap. All operational changes are made on a case by case basis with each assessed on its unique merits.
- The Ministry for Levelling Up, Housing and Communities has announced funding for renters in the private sector who have accrued rent arrears as a result of the pandemic. The Council has received £223,729 so could choose to use this to offset any spending in excess of the Governments DHP grant.

29. These mitigations should enable the Welfare Reform Team to stick within the allocated budget. The Welfare Reform Team will continue to actively work with customers to reduce the value and length of DHP awards, so far this year, the number of cases in payment has reduced from 83 in April 2021 to 57 in September 2021 highlighting how the Welfare Reform Team are actively working to reduce DHP expenditure.

30. In 2020/21 the Council focussed heavily on sustaining tenancies but in 2021/22 a return has been made to the Council's model of working with people to find solutions through employment etc. This will result in a higher number of customers being refused a DHP or not having their DHP renewed if they haven't taken the actions agreed with them as part of their DHP decision.

31. DHP expenditure will continue to be closely monitored over the coming months to assess how the economic impact of the pandemic is influencing demand. The Welfare Reform Team have also considered how the £20 per week reduction in Universal Credit and the ending of the furlough scheme will impact DHP expenditure. It is not anticipated that these national policy changes will heavily impact the DHP scheme, this is because of the Benefit Cap which means that most people in receipt of a DHP didn't gain from the additional £20 per week. This also applies to the end of the furlough scheme and where DHP applications are received because of this, the Welfare Reform Team offer will be of employment support rather than the award of a DHP due to the strong employment market.

### **Legal issues**

1. The draft policy is within the scope of the Child Support, Pensions and Social Security Act 2000 and The Discretionary Financial Assistance Regulations 2001 (SI2001/1167), and subsequent amendments. Whilst the regulations give a very broad discretion, the Council has a duty to act fairly, reasonably and consistently. Each case must be decided on its own merits, and decision making should be consistent throughout the year.

### **Risk**

2. An evaluation of the risks associated with the DHP policy has been carried out. A detailed Risk Register is attached at Appendix Three.

### **Equalities impact**

3. An initial impact assessment has been carried out and is attached at Appendix Four. No undue, adverse impacts have been identified.

### **Carbon and Environmental Considerations**

4. No carbon or environmental impacts have been identified as a result of this proposal.

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## Oxford City Council's Discretionary Housing Payment Policy

### 1. Aims

- 1.1. The overarching objective of this policy is to distribute funding granted under the Discretionary Housing Payment scheme (DHP) in order to prevent homelessness. This will be achieved by providing short term relief to applicants in order to give them time to find more sustainable solutions to their financial arrangements. The policy is also intended to support people who have little scope to change their personal circumstances. Funding provided by this policy is only intended to be used to cover housing costs.
- 1.2. Demand for support through awards of DHP remains high as a result of multiple welfare reforms implemented in recent years, such as the under occupancy criteria in the social sector, the Benefit Cap, and the freezing of Local Housing Allowance rates until the current financial year, plus the continued rise in private sector rents in the city. In addition to the overarching objective of the policy outlined in 1.1, the policy also aims to:
  - alleviate child poverty and keep families together
  - support vulnerable young people in the transition to adult life, including young people leaving care; and
  - support the vulnerable in the local community
  - support the transition into work, particularly for people at risk of homelessness and those moving on from hostel accommodation
  - supporting the transition into permanent accommodation for people housed temporarily as part of the Covid19 emergency response
  - support the aims of the Housing and Homelessness Strategy

### 2. Determination of Applications

- 2.1. Applications for DHP awards must be made on the form shown at Appendix 1, an online application form is also available on the Council website.. The Welfare Reform Team will consider all applications for DHP on their individual merit.
- 2.2. In order to be considered for an award of Discretionary Housing Payment applicants must either be entitled to Housing Benefit or the Housing Element of Universal Credit. The

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exception to this is for residents on Universal Credit moving into temporary accommodation, or specified accommodation, and as a result have a period of no entitlement to either benefits, when they can then be considered for DHP for the period of underlying entitlement.

2.3. DHP's can not be awarded in the following circumstances:

- To top up an award made under the Local Council Tax Support Scheme<sup>1</sup>
- To contribute to the cost of ineligible service charges
- To assist in paying for rent increases imposed as a result of incurring rent arrears
- To assist in paying for rent costs arising from the suspension of a Housing Benefit or Universal Credit claim
- To assist in paying for rent costs which arise from the imposition of sanctions or reductions in Housing Benefit or Universal Credit. These include any reduction made as a result of not complying with work related conditionality, or deductions to recover benefit overpayments, or in arranging maintenance as directed by the Child Support Agency, or breaching a community service order
- To cover the rent for the initial period between making a claim for Universal Credit and having Universal Credit entitlement confirmed

2.4. It is not intended to award DHP in the following circumstances, unless to do so would strongly support the policy objectives outlined above:

- Assistance with moving costs, rent in advance, and deposits (unless moving to more affordable accommodation)
- Shortfalls caused by a non-dependent deduction or housing cost contribution
- Where Capital in excess of £6,000 is held for people of working age, or £10,000 for those of pensionable age
- Where the tenancy was not affordable to the applicant when it was taken on
- Where the rent charged is of such an amount that the tenancy would still be unsustainable even if realistic steps to improve the household situation were achieved
- Where an applicant has multiple outstanding debts, and has no plans to seek professional debt advice, or to deal with the debt
- Where there is affordable and suitable available alternative accommodation
- Where applicants are not prepared to take steps to reduce or remove their need for DHP, and/or state the period of time they require the DHP

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<sup>1</sup> Section 13A of the Local Government Finance Act 1992 provides for Local Authorities to make reductions in the amount of Council Tax owed by an individual.

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- Where the aware of a DHP would create a long term reliance on further DHP which cannot be guaranteed
- Where multiple family units or households are living in one property, and another household could be expected to make additional contributions to the rent
- Where overlapping tenancies exist and failing to pay the previous tenancy would not put the current tenancy at risk
- Where fraud has been admitted or proven in relation to claims for Housing Benefit, Universal Credit, Council Tax Benefit, Council Tax Reduction Scheme or Discretionary Housing Payments
- To cover the reduction to Universal Credit awards due to the imposition of third party debt deductions

2.5 In deciding whether to award a DHP, consideration will be given to:

- how the award will meet the policy objectives, with priority being given to:
  - applicants who have limited scope to change their circumstances (e.g. a disabled applicant affected by the under-occupancy rules who has had adaptations made to their property)
- the shortfall between Housing Benefit/ Housing Element of Universal Credit and the rental liability
- any steps taken by the applicant to reduce their rental liability
- any steps taken by the applicant to find work, or increase their hours of work
- the financial and medical circumstances (including ill health and disabilities) of the applicant, their partner and any dependants and any other occupants of the applicant's home
- the income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home. (All applicants will be required to complete an Income & Expenditure Form.) Where it is felt that expenditure is inappropriate or incompatible with award of a DHP, the applicant will be referred for debt advice or financial capability support
- any savings or capital that might be held by the applicant or their family
- the level of indebtedness of the applicant and their family
- the exceptional nature of the applicant and his / her family's circumstances
- whether total DHP expenditure is within the legally permitted level of two and a half times the government's contribution

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- the possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation
- any other special circumstances brought to the attention of the Welfare Reform Team

## 3 Amount and condition of awards

3.1 The Welfare Reform Team will decide how much to award based on all the circumstances.

However, the main determining factor will be a consideration of the applicant's scope for reducing their reliance on DHP's in the future. Where this is possible, awards will usually be made for a maximum of thirteen weeks or three months although shorter awards may be made if the applicants individual circumstances warrant it. If an applicant has limited options for making changes in their circumstances awards will be made for longer periods, of up to 12 months. An award of a DHP does not guarantee a further award at a later date even if the applicant's circumstances have not changed.

3.2 . The start date of the award will normally be:

- the Monday after the Welfare Reform Team receives the written claim for a DHP in cases where the applicant is claiming Housing Benefit; or
- The first day of the current Universal Credit monthly assessment period the applicant is in when their DHP claim is received, where the resident claims UC; or
- the date on which entitlement to Housing Benefit or Universal Credit starts; or
- another date, where this fulfils the objectives of this policy better than the dates above

3.3 An award of DHP will have conditionality attached to it in the majority of circumstances. Any conditionality will be linked to increasing the applicant's income through either additional welfare benefits or employment, reducing their rental liability or reducing other outgoings. Conditions will be agreed with the applicant, and support will be available to help them achieve them, either from the Council or from partner organisation(s). Examples of types of conditionality could include:

- Attending work related coaching with one of the Council's partners
- Actively looking for work, with or without the support of the Council, or one of our partners
- Applying for any other relevant benefits which would reduce the impact of or provide exemption from any of the welfare reforms
- Registering for housing and bidding for suitable properties in each cycle
- Seeking assistance to manage debts
- Paying rent arrears

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- Engaging with specialist support services

The intention of any conditionality is to assist the resident in improving their circumstances; it is not a punitive measure. However an award of DHP can be cancelled if a resident has not undertaken the agreed activity. Where employment is a reasonable outcome for someone, a condition related to moving into work will always be applied.

3.4 The maximum amount of DHP is calculated under the following rules:

- For applicants claiming Housing Benefit, the difference between the weekly Housing Benefit award and the weekly eligible rent
- For applicants claiming Universal Credit, the maximum award amount is the level of the monthly Housing Element of the residents Universal Credit award, alongside the requirement that they need further support for housing costs

3.5 When making a repeat application for an award, the resident must have met the conditions applied to their previous award, be able to set out what actions they have undertaken as a result of that support, and explain their next steps in order to reduce their reliance on DHP awards. Such applications will require an interview with a Council officer before a further award can be made.

3.6 When an application for a DHP is declined, the applicant will still be offered support in resolving their situation, either directly from the Welfare Reform Team, from another Council department, or through a referral to one of the Council's partner organisations.

## **4 Administration of Payments**

4.1 Where the applicant appears to be entitled to another state benefit that they are not receiving, they will be advised to make a claim, and provided with details of other agencies in the city who may be able to help with such a claim. Any DHP will be reviewed in light of the result of this claim.

4.2 The Welfare Reform Team may need to revise an award of a DHP where the applicant's circumstances have materially changed. Any revision to the award will take effect from the same day as any change to the Housing Benefit award, or the start of the relevant Universal Credit assessment period. If a revision of an award leads to an overpayment then steps will be taken to recover this money if it is reasonable in the circumstances to do so.

4.3 A DHP will normally be made payable to the person receiving the Housing Benefit payment or Housing Element of Universal Credit, unless the aims of the policy are better served paying someone else. Where Housing Benefit or Housing Element of Universal Credit is paid to the landlord, and a DHP award is made for more than three months, the Welfare Reform team will review the claim to ensure that payment should continue to be made to the landlord.

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4.4 DHP will be paid by the most appropriate means available. This will normally be by BACS transfer. The payment frequency will normally be made in line with payments of Housing Benefit, or four weekly for Universal Credit payments.

4.5 Decisions regarding DHPs will be notified to the applicant within 10 working days of receiving the last piece of information required to determine the application, and will include:

- Reasons for the decision
- The start and end date of the award
- The amount of the award
- Conditions attached to the award
- The applicant's right of review
- Advice that future awards may not be made

4.6 A Senior Officer will review any DHP decision that is disputed by the applicant. If the decision is still upheld, any further dispute must be dealt with through the Council's complaints procedures and ultimately by judicial review.

4.7 Where a resident has a complaint in the way we have applied our policy, they may ask the Local Government Ombudsman to look at their case, after exhausting the Council's own complaints procedure.

## **5 Fraud**

5.1 Oxford City Council is committed to the fight against fraud in all its forms. An applicant who tries to fraudulently claim a DHP by falsely declaring their circumstances, or providing a false statement or evidence in support of their application, may have committed an offence under section 2 of the Fraud Act 2006. Where the Welfare Reform Team suspects such a fraud may have occurred, the matter will be investigated and this may lead to the instigation of criminal proceedings.

## **6 Monitoring**

6.1 Reports will be extracted from the DHP software on a monthly basis to ensure that expenditure is within budget and is correctly profiled to ensure no overspend at the end of the financial year. Overpayments will be reconciled on a monthly basis. A 10% check will be made of all DHP applications, whether successful or not, to ensure that decision making is consistent and complies with this policy.

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6.2 The reasons for making a DHP award will be monitored and reported based on the following list:

- Benefit Cap
- LHA Reductions
- Housing Benefit reductions due to under-occupation
- Combination of reforms
- Other

This will be reported back to DWP in accordance with their requirements.

## **7 Communication of Policy**

7.1 The Welfare Reform Team will publicise the scheme and will work with all interested parties to achieve this. A copy of this policy statement will be made available for inspection and will be posted on Oxford City Council's website.

## **8 Review**

8.1 This policy is effective from 16 September 2021. It will be reviewed no later than 20 September 2022.

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Appendix 1:

DHP Application form

## Application for Discretionary Housing Payment (DHP)

### Section 1: About you

To help us to process your claim quicker, please give us your current contact details.

Full Name:

Address:

.....Post Code: .....

Claim reference number: 80- .....

Home number: ..... Mobile: .....

Email address: .....

*Please note we may contact you regarding your claim and your appointments. We have found that contacting residents by email and text is an efficient way of getting in touch quickly. If you have any preferences about the way you are contacted please let us know.*

### Section 2: About your circumstances

1. Why are you applying for DHP e.g. bedroom tax, local housing allowance (LHA) shortfall, benefit cap, personal circumstances?

2. Have you applied for DHP before?

Yes- please answer question 2A

No- Please answer question 2B

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**2A. Please tell us what are you doing to meet the conditions of your last award?**

**2B. Please tell us what have you tried to do to improve your current situation?**

**3. Are you getting help from anyone at the moment e.g. Tenancy Sustainment, Connection, Crisis, Aspire, Mind, Advice Centre, Citizens Advice Bureau (CAB), Job Clubs, Social Services, etc.?**

**4. Is there anything else you would like us to know about when we are considering your claim e.g. risk of eviction, health, pregnancy, addiction issues.**

**5. When would you like your DHP to start and why? If you want DHP for past period, tell us why did you not apply before?**

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## Section 3: About your new DHP award

**6. DHPs provide short term financial help for people who are working towards improving their situation so they can afford to pay their rent without this support in the future. Which of the following options are you taking or are you prepared to take to improve your situation?**

- |   |  |
|---|--|
| <input type="checkbox"/> Employment/training towards work home) | <input type="checkbox"/> Downsizing (moving to a smaller |
| <input type="checkbox"/> Increasing working hours               | <input type="checkbox"/> Debt/money advice               |
| <input type="checkbox"/> Moving to cheaper accommodation        | <input type="checkbox"/> Lodger                          |
| <input type="checkbox"/> Other (please specify below):          |  |

## Section 4: About your financial situation

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Please give us details of your Income and Expenditure as accurately and completely as you can. This information is needed to make a decision about your Discretionary Housing Payment. You may be asked to provide proof of the amounts declared.

Please state period as Y = yearly or Q = quarterly or M = monthly or W = weekly

Income					
Income Type	Period	Amount	Income Type	Period	Amount
Wages			Industrial Injuries Benefit		
Wages (partner)			Pension Credit		
Jobseeker's Allowance			State Retirement Pension		
Income Support			Occupational Pension		
ESA			Sick Pay		
Child Tax Credit			Maternity Pay		
Child Benefit			Carer's Allowance		
Disability Living Allowance			Attendance Allowance		
Personal Independence Payment (PIP)			Student Income/ Loans		
Maintenance			Savings/ Investments		
Working Tax Credit			Armed Forces Independence Payment		
Money from Non-Dependant			Universal Credit		
Rent from lodger			Other (please specify)		

Bills					
Expenses	Period	Amount	Expense	Period	Amount
Total Rent*			Pay TV/ Internet/ Phone		
Council Tax (after CTRS*)			Package		
Water Rates			Maintenance Payments		
Gas			Service Charges		
Electricity			Private Pension payments		
Coal/Wood/Other Heating			Insurance e.g. contents, life, pets		
TV Licence			Other (please specify e.g. repairs)		
Mobile Phone 1					
Mobile Phone 2					

Housekeeping					
Expenses	Period	Amount	Expense	Period	Amount
Food			Childcare		

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Takeaway			Healthcare Prescriptions		
Baby Food/ Milk			Health & Beauty (please specify e.g. haircuts)		
Toiletries					
Nappies			Clothing		
Laundry/ Dry Cleaning			Disability Related Care Expenditure		
Cleaning Materials					
School Uniform			Gym Membership		
School Meals			Other (please specify)		
School Trips					

## Travel

Expenses	Period	Amount	Expense	Period	Amount
Public Transport			Disability Related Mobility Expenditure		
Petrol					
Insurance			Breakdown Cover/ MOT		
Road Tax			Other (please specify)		
Taxi					

\*Total Rent- tell us what your actual rent is

\*CTRS- Council Tax Reductions Scheme

Please state period as Y = yearly or Q = quarterly or M = monthly or W = weekly

## Other costs

Expenses	Period	Amount	Expense	Period	Amount
Going Out/ Entertainment			Cigarettes		
			Alcohol		
Savings			Gambling		
Pets e.g. food, vets			Holidays		
Pocket money			Meals at work		
Afterschool Clubs			Newspapers/ Magazines		
Birthdays			Subscriptions/ Charities		
Religious Holidays e.g. Christmas, Eid			Other (please specify)		

## Debt

Expenses	Period	Amount	Total amount of debt
Personal Loans e.g. family, friends			
Pay Day Loans			
Credit Cards			
Rent Arrears			

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Utility Arrears e.g. gas, water, electrics			
Council Tax Arrears			
HB overpayments/ deductions			
Hire Purchase/ White Goods Loans			
Court Fines/ Bank Costs			
Maintenance Payments			
Catalogue Payments			
Student Loans			
Other (please specify)			

## Section 5: Your declaration

I declare that the information I have given on this form is correct and complete.

I understand the following:

- If I give incorrect or incomplete information, the council may take action (including court action) against me;
- Oxford City Council is registered under the Data Protection Act 1998 for the purpose of processing personal data in the performance of its legitimate business. You can view the council's data protection policy and privacy notice at [www.oxford.gov.uk/privacy](http://www.oxford.gov.uk/privacy)
- We may share your information with and obtain information about you from other departments within Oxford City Council, other local authorities, government departments or financial organisations to ensure that the information is accurate; prevent or detect crime and fraud and protect public funds. We will not sell, share, or rent this information to others in ways different from what is disclosed in this statement.
- The council will use the information I have given to assess my claim for Discretionary Housing Payment, and I agree that the council can verify this if needed;
- I will tell the council about any changes in my circumstance that may affect my claim.

Your signature:

Date:

If you had help filling in this form or someone filled it in for you, please ask them to complete the next section.

I can confirm that I have completed this form on behalf of the claimant. The information contained within the form has been given to me by the claimant. The claimant confirms that this information is correct.

Name and relationship to you of the person who filled in the form:

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## Case studies

### Lucy

In 2018 Lucy lived with her Mum but was asked to leave. She found alternative accommodation in the private rented sector. Lucy is a single parent with two children affected by a LHA shortfall. Lucy was waiting for her son to turn 10 which would have entitled her to receive the 3 bedroom LHA. In the meantime, Lucy was signposted to the local advice centre to receive support around managing her debts and she was also referred to Better Housing Better Health for support with reducing her utility bills. Lucy was awarded a DHP for the shortfall in rent. Lucy applied for a further DHP in 2020 when she sadly lost her job due to Covid-19, resulting in her being affected by the benefit cap. Lucy was advised and encouraged to look for alternative work so the benefit cap would be lifted. Lucy was referred to National Careers Service for free advice in job applications and CV tailoring and shortly after Lucy found work and was no longer affected by the benefit cap.

### Rohan

Rohan a single father of 2 first applied for a DHP in 2020 as there was a short fall between his LHA and his rental liability, Rohan was a Home Choice tenant. We awarded a DHP with conditions to prepare and look for work, in July 2020 he decided he would like to have a career in care and secured a job meaning his DHP ended. In January 2021 Rohan contacted us again as he had a means tested shortfall which would have been affordable if it wasn't due to the upfront cost of childcare. It was agreed that a DHP would be paid so the customer could sustain work and could cover the full shortfall until April when Rohan could increase working hours and afford his rent himself.

### Amy

Amy is affected by the under occupancy rate (bedroom tax) and had a DHP in payment from 2016, she did not engage with us to downsize therefore when we reviewed the conditions she told us she wanted to engage with support being offered by our partners who identified that her welfare benefit entitlement was incorrect. Amy engaged with support services and is now receiving the correct welfare benefits and as such is exempt from the under occupancy rate (bedroom tax) and therefore able to sustain her tenancy.

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Appendix 3: Risk Register

					Date Raised	Owner	Gross		Current		Residual		Comments	Controls				
Title	Risk description	Opp/ threat	Cause	Consequence			I	P	I	P	I	P		Control description	Due date	Status	Progress %	Action Owner
Managing demand	Residents applying for a DHP later in the year might not be awarded due to a lack of available funds	Threat	Applicants receiving DHPs for longer due to pandemic. Increase in DHP applications.	Reduced budget in later part of year	1/8/2021	James Pickering	3	3	3	2	3	1		DHP expenditure monitored on a weekly basis and reported to Managers monthly	31/3/2022	in progress	33%	James Pickering
Ongoing impact of Covid 19	Increased number of people applying for DHPS as a result of unemployment or health issues	Threat	Increase in volume of people claiming Universal Credit or Housing Benefit	More applications from people affected by the Benefit Cap	1/8/2021	James Pickering	3	4	2	4	2	3		On review of renewal applications ensure conditions have been met and that customers are able to access employment opportunities	31/3/2022	in progress	25%	James Pickering
Legal challenge	Council successfully challenged on application of policy by unsuccessful applicants	Threat	Inconsistent application of DHP policy, or awards made which are incompatible with policy	Reputational damage and potential award of costs	01/08/21	James Pickering	4	2	4	2	2	1		10% of applications checked (both successful and unsuccessful) to ensure consistency of DHP awards	31/03/22	in progress	33%	James Pickering
Resident impact	Unintended negative impact on specific resident groups	Threat	Unforeseen policy impact	Some customer groups are discriminated against and receive negative DHP decisions		James Pickering	3	2	3	2	2	1		10% of applications checked (both successful and unsuccessful) to ensure consistency of DHP awards against policy criteria. Implementation of demographic data collection process	31/03/22	in progress	33%	James Pickering

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# Appendix 4



## Form to be used for the Full Equalities Impact Assessment

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<b>Service Area:</b> Housing Services		<b>Section:</b> Housing Needs	<b>Date of Initial assessment:</b> 09/08/2021	<b>Key Person responsible for assessment:</b> James Pickering	<b>Date assessment commenced:</b> 09/08/2021		
<b>Name of Policy to be assessed:</b>			Discretionary Housing Payment Policy				
<b>1. In what area are there concerns that the policy could have a differential impact</b>			<b>Race</b>		<b>Disability</b>		<b>Age</b>
			<b>Gender reassignment</b>		<b>Religion or Belief</b>		<b>Sexual Orientation</b>
			<b>Sex</b>		<b>Pregnancy and Maternity</b>		<b>Marriage &amp; Civil Partnership</b>
<b>Other strategic/ equalities considerations</b>			<b>Safeguarding/ Welfare of Children and vulnerable adults</b>		<b>Mental Wellbeing/ Community Resilience</b>		
<b>2. Background:</b>  Give the background information to the policy and the perceived problems with the policy which are the reason for the Impact Assessment.			The Discretionary Housing Payment policy is intended to support those who are disadvantaged by changes to Housing Benefit rules the Housing Element of Universal Credit, specifically the under occupation rules in the social sector (aka bedroom tax), the Benefit Cap and the freezing of Local Housing Allowance rates. The under occupation rules disproportionately impact older residents (from 45 to pension age) and people with a disability. The Benefit Cap affects mainly households where there are lots of children (and in most cases a single parent). The Local Housing Allowance changes impact mainly on households with children. As such, if the DHP policy is not applied correctly, these groups could be disadvantaged.				

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<p><b>3. Methodology and Sources of Data:</b></p> <p>The methods used to collect data and what sources of data</p>	<p>A demographics data collection has been implemented although take up has been low. As such we are developing a new online application which we believe will increase the take up of applicants to complete the questionnaire. We continue to perform a 10% quality check on assessments (both successful and unsuccessful decisions) and review the data to identify any trends.</p>
<p><b>4. Consultation</b></p> <p>This section should outline all the consultation that has taken place on the EIA. It should include the following.</p> <ul style="list-style-type: none"> <li>• Why you carried out the consultation.</li> <li>• Details about how you went about it.</li> <li>• A summary of the replies you received from people you consulted.</li> <li>• An assessment of your proposed policy (or policy options) in the light of the responses you received.</li> <li>• A statement of what you plan to do next</li> </ul>	<p>As this policy is discretionary, all applications will be considered on their merit. Where an application meets the aims of the policy, it is intended to provide support. The policy is a fairly straightforward one to apply. Cabinet should note that, as it is a discretionary payment the Council are not intending to set out any circumstances in which we definitely wouldn't support someone. If an application meets various policy aims, it will be successful.</p> <p>As we are not making significant changes to the DHP policy we have not formally consulted on the changes to the DHP policy, although we have asked partners (internal and external) for their views and suggestions for additional policy changes. The changes to the DHP policy are minor in nature, and in addition all applications are considered on their own merits, and any award made is at the discretion of the Council. As such the process of a formal consultation may raise unrealistic expectations and would be an unproductive exercise as it would not generate any information that the Council hasn't already anticipated or did not know. In the event that significant changes were planned to the DHP policy, a formal consultation exercise would be carried out.</p>

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<p><b>5. Assessment of Impact:</b> Provide details of the assessment of the policy on the six primary equality strands. There may have been other groups or individuals that you considered. Please also consider whether the policy, strategy or spending decisions could have an impact on safeguarding and / or the welfare of children and vulnerable adults</p>			
	<p><b>Race</b> Neutral</p>	<p><b>Disability</b> Neutral</p>	<p><b>Age</b> Neutral</p>
	<p><b>Gender reassignment</b> Neutral</p>	<p><b>Religion or Belief</b> Neutral</p>	<p><b>Sexual Orientation</b> Neutral</p>
	<p><b>Sex</b> Neutral</p>	<p><b>Pregnancy and Maternity</b> Neutral</p>	<p><b>Marriage &amp; Civil Partnership</b> Neutral</p>
<p><b>6. Consideration of Measures:</b></p>	<p>No alternatives have been considered due to the resource intensive nature of other options. Please see 6a for further details.</p>		

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<p>This section should explain in detail all the consideration of alternative approaches/mitigation of adverse impact of the policy</p>					
<p><b>6a. Monitoring Arrangements:</b></p> <p>Outline systems which will be put in place to monitor for adverse impact in the future and this should include all relevant timetables. In addition it could include a summary and assessment of your monitoring, making clear whether you found any evidence of discrimination.</p>		<p>A 10% check of applications will be carried out to ensure consistency of decision making. This will be done for both successful and unsuccessful applications. Monitoring will be carried out on a monthly basis, and this will also include the reason for the application being made.</p> <p>This process has been well established and analysis has not identified any evidence of discrimination.</p>			
<p><b>7. Date reported and signed off by City Executive Board:</b></p>					
<p><b>8. Conclusions:</b></p> <p>What are your conclusions drawn from the results in terms of the policy impact</p>		<p>After consideration of the policy, its implementation and monitoring processes I do not believe there are any differential impacts on protected characteristics.</p>			
<p><b>9. Are there implications for the Service Plans?</b></p>	<p>NO</p>	<p><b>10. Date the Service Plans will be updated</b></p>		<p><b>11. Date copy sent to Equalities Lead Officer</b></p>	
<p><b>13. Date reported to Scrutiny and Executive Board:</b></p>		<p><b>14. Date reported to City Executive Board:</b></p>		<p><b>12. The date the report on EqlA will be published</b></p>	

# Appendix 4

Signed (completing officer)

Signed (Lead Officer)

**Please list the team members and service areas that were involved in this process:**

Equalities Lead Officer  
Service Manager  
Lindsey Cane, Legal Services Manager

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## Discretionary Housing Payments 2021-22 allocations: Frequently asked questions

### Introduction

As detailed in circular HB S4/2021, the total Discretionary Housing Payments (DHP) funding for 2021-22 is £140 million and will be allocated in two parts.

The **£100 million initial allocation** was calculated using each local authority's (LAs) individual funding amount for 2020-21 as a starting point. This figure was then corrected to the amount LAs would have received if the errors for a small number of LAs in the 2020-21 allocation had not occurred. This amount was then reduced in line with the overall funding reduction from 2020-21 (£179.5 million) to the initial allocation (£100 million) for 2021-22 (The rural pot of funding is preserved).

The remaining **£40 million will be allocated at mid-year**. This will be calculated using each LAs individual and most recent information on the benefit cap and Removal of the Spare Room Subsidy deductions and Local Housing Allowance (LHA) shortfalls, for both Housing Benefit and Universal Credit.

This approach will ensure DHPs are targeted to areas with the greatest need as, by mid-year, we would expect an increase in DHP demand due to a number of factors including lifting the ban on evictions and other financial support coming to an end.

The below frequently asked questions (FAQs) provide some further clarification on the allocation for 2021-22:

### FAQs

#### Q1. Why has our funding reduced so much?

A1. For 2020-21 the government provided £180 million in DHPs for LAs in England and Wales. This included an additional £40 million to help tackle affordability pressures in the private rented sector. The funding for 2021-22 is £140 million. This level of funding reflects the increase to LHA rates.

The overall reduction in DHP funding compared to 2020-21 is 22%. However, the figure you have been provided with is the **initial** allocation for 2021-22, which is based on £100 million of DHP funding (rather than £140 million), this makes it appear that the reduction in funding is greater than it will be.

At mid-year, when we allocate the remaining £40 million, this will see the difference in the funding level reduce.

#### Q2. We spent all our allocation for this year, why are you reducing our funding?

A2. We recognise that 2020-21 has been a challenging year for all LAs, with some unable to spend their allocation due to local restrictions, including office closures and

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staffing and resource pressures as a result of LAs being at the forefront of the delivery of critical support measures during the pandemic. This allocation methodology seeks to balance the overall reduction of funding with the changing needs of LAs.

## **Q3. Why has funding been reduced when we have had an increase in claimants due to COVID-19?**

A3. This level of funding reflects the increase to LHA rates as in 2020-21 an additional £40 million was made available to tackle affordability pressures in the private rented sector. Since the start of the pandemic, we have been closely monitoring the DHP spend and we will continue to do this throughout 2021-22.

## **Q4. What is the rationale for the split allocation?**

A4. During 2020-21 we closely monitored spend as we expected the additional government support provided in response to the pandemic to be wound down and a potential increase in demand for DHPs. However, support such as furlough and extended notice periods were continued and will not be wound down until later on in the year (2021).

We now expect to see an increase in demand in 2021-22 and, therefore, we are reserving part of the funding until the mid-year point to ensure it is targeting the areas of most need.

## **Q5. How can we budget without an estimate of what we will receive at mid-year?**

A5. We appreciate this may be challenging, however, the funding will be allocated based on your individual LAs need.

We have undertaken some exploratory work to estimate how funding could be allocated. Indicative benefits data suggests that most LAs would see a reduction in their total 2021-22 funding of around 20 to 30% from the 2020-21 level.

## **Q6. Will this award of the £40 million be made prior to the mid-year DHP estimate?**

A6. We will aim to allocate the reserved funding by 1 September 2021 to align with the mid-year estimate process which will allow LAs to complete the mid-year mandatory claim form.

## **Q7. Will all LAs receive some of this or is this just for those who were directly impacted by the errors in the 2020-21 allocations?**

A7. All LAs will receive a portion of the £40 million funding at mid-year. The amount each LA receives will be based on their caseload needs, for example, data on those impacted by LHA shortfalls and data on those impacted by benefit cap deductions.

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## Q8. How will the £40 million be allocated?

A8. At mid-year, we will distribute the funding based on LAs caseload needs, for example, data on those impacted by both LHA shortfalls and benefit cap deductions.

## Q9. Who were the 26 LAs who were directly impacted by the DWP errors in the 2020-21 DHP allocations?

A9.

Newport	Dorset
Pembrokeshire	Monmouthshire
Isle of Anglesey	Merthyr Tydfil
Gwynedd	Wrexham
Somerset West and Taunton	Caerphilly
Ceredigion	Neath Port Talbot
Blaenau Gwent	Flintshire
Torfaen	Carmarthenshire
Amber Valley	Powys
Conwy	Bridgend
Denbighshire	The Vale of Glamorgan
Swansea	Rhondda, Cynon, Taff
Bournemouth, Christchurch and Poole	Cardiff

## Q10. My LA was overpaid in 2020-21 due to an DWP error. Will my LA be negatively impacted in 2021-22 because of this??

A10. In order to lessen the impact on the LAs who received too much funding for 2020-21, additional funding of £475,443 has been provided to ensure the maximum reduction that any LA faces, will be capped at the overall average reduction for the initial £100 million of funding. This takes the initial allocation total to £100,475,443.

Any questions should be sent to [housing.benefitenquiries@dwp.gov.uk](mailto:housing.benefitenquiries@dwp.gov.uk)

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