

To: City Executive Board

Date: 21 September 2011

Report of: Head of Customer Services

Title of Report: Discretionary Housing Payments

Summary and Recommendations

Purpose of report: To approve the request for additional Discretionary Housing Payment funding, and to approve the new Discretionary Housing Payments Policy

Key decision? No

Executive lead member: Cllr Val Smith

Policy Framework: N/A

Recommendation(s):

1. To provide £34,000 from the Homeless Contingency Budget to provide funding for Discretionary Housing Payments(DHP), allowing Oxford City Council to spend the maximum amount on DHP permitted by regulations, and ensuring that the maximum number of tenancies can be sustained.
2. To adopt the changes in the Council's DHP policy outlined in Section 4
3. To delegate authority to amend this policy during the year, in order to keep DHP spend within permitted limits, to the Head of Customer Services in conjunction with the Portfolio Holder for Customer Services and Head of Community Housing.
4. To keep the DHP function within the Benefits Service
5. To agree the amended DHP Policy in Appendix 1
6. To ensure the Department of Work & Pensions (DWP) are informed about the requirement for Oxford to overspend its DHP Grant.

1. INTRODUCTION

1.1 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 or council tax costs for people already in receipt of housing and council tax 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 adequately covered by the national benefits scheme.

1.2 In the interests of administering the fund fairly and consistently, it is recommended that the council have a clear policy and criteria on which to base these decisions. This should take into account the local housing situation and other significant factors. The current policy is at Appendix 1 of this document.

1.3 Guidance from the Department of Communities & Local Government (DCLG) and the Department for Work and Pensions (DWP) recommends using the DHP fund as one way of preventing and tackling homelessness. On occasions a small increase to Housing Benefit payments via the DHP fund can secure adequate housing at a much lower cost to the council than dealing with the same customers as homeless. The guidance also advises that support from the DHP fund, should generally be temporary in nature.

1.4 More importantly this is also a much preferable option for the customers involved. The prevention of homelessness is one of the Council's key objectives, and the payment of DHP's supports this. Since 2004, the Council has reduced the number of families in temporary accommodation from over 1,000 to 156. This has largely been achieved by placing people in private sector accommodation through the Home Choice scheme. Payment of DHP helps sustain these tenancies where shortfalls in Housing Benefit might otherwise lead to evictions.

2. SCHEME COST

2.1 Oxford City Council pays out around £68 million per annum in Housing & Council Tax Benefits to around 12,500 households. The majority of this is claimed back in subsidy from central government. Many of these households receive sufficient Housing and Council Tax Benefit to cover their rent and council tax in full. Those who do not, fall into two main categories:

- 1) Those that are working or have other income above the basic minimum levels. Their benefit is reduced in proportion to their income.
- 2) Those that are in properties considered too large by the national scheme for the household or more expensive than the average for Oxford.

2.2 In 2011/12 the government increased its DHP grants to Councils from £20 million to £30 million. From 2012/13 this will increase further to £60 million. The recent additional funding has been diverted to the Councils which are hit hardest by the Local Housing Allowance changes, effective from April 2011(see Appendix 3). This has mainly been London Authorities so our grant didn't increase significantly. The DWP are consulting on how to distribute the next tranche of additional funding at the moment. The Council has submitted a response to this consultation detailing its views on how this extra resource should be distributed.

2.3 Oxford's grant for 2011/12 is £105,520, increased from £81,907. Any spending up to this level will be funded by central government. Any spending above this level needs to be met from council funding. Regulations put a ceiling on DHP expenditure which is 2.5 times the central government grant. Therefore for 2011/12 this ceiling is £263,800

2.4 Last year Oxford City Council made 377 DHP awards totalling £132,442. As in previous years we received some additional funding from the Homelessness

Team to support payment of DHP. This amounted to £10,000 in 2010/11. The remainder was made up from the surplus in collection of overpaid Housing Benefit.

2.5 For the current year, the Homelessness Team are able to provide £125,000 in additional funding from Housing Needs budgets for Homelessness Prevention. It is in the Council's interest to overspend its DHP grant if possible. This is because the distribution of the core grant of £20 million is partly based on expenditure in the previous year. Our total budget for 2011/12 is therefore £230,520 (£105,520 plus £125,000). Oxford has been very successful in increasing the amount of grant it gets as a result of ensuring it spends over its allocation each year. This adds to the argument that DHP should be the first thing to consider in relation to expenditure for preventing homelessness.

2.6 Expenditure up to the end of June is £35,800. Continued expenditure at this level projects a total spend for the year of £143,200. However this doesn't take into account the additional demand that will be made on the budget in the last quarter of the year, as described below.

3. FUTURE DEMAND AND COSTS

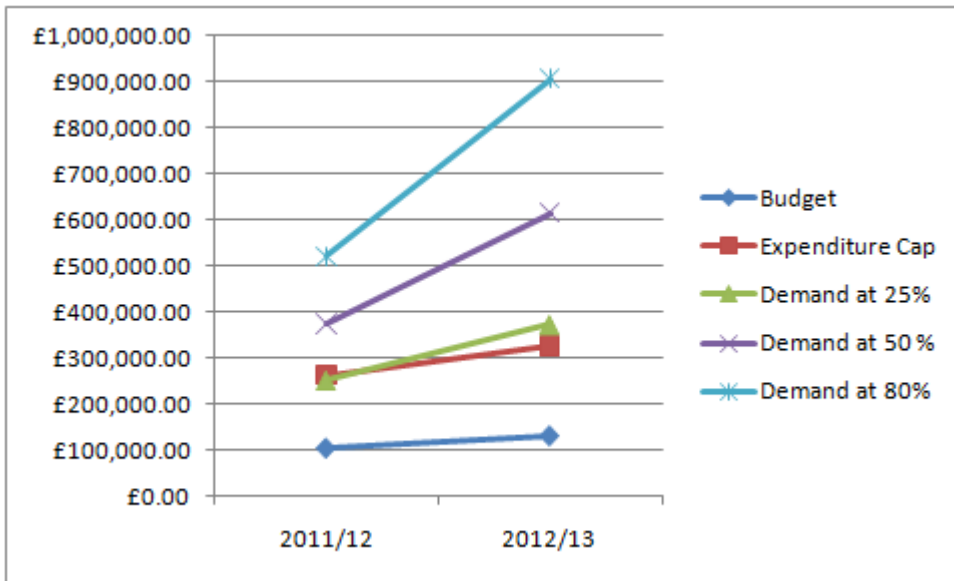
3.1 There is already more demand on the DHP budget, than the existing grant provision can meet. In the future, there will be even greater demand on the budget as a result of LHA changes which will see all claimants facing shortfalls, although there will be transitional protection for existing claimants (nine months after the next anniversary date of their claim, following 4 April 2011). It has been estimated that if those changes were fully implemented today, there would be a total shortfall of £1.5 million in payments of LHA in Oxford.

3.2 There are four possible responses that can be made to the reductions in LHA payments; Claimants could make up the shortfall themselves, Claimants could find cheaper accommodation, Landlords could reduce rents or accept the shortfall, or Claimants could request help from the Council. There is no way of knowing which options will be pursued, so in the table below future expenditure is shown based on 25%, 50% and 80% of people affected by the changes applying to the Council for help. The calculation of demand is explained in Appendix 2

These figures show that even with a modest increase in demand as a result of the LHA changes, DHP expenditure will need to increase up to the maximum level permitted by regulations.

	2011/12	2012/13*
Budget	£105,520.00	£131,000.00
Expenditure Cap	£263,800.00	£327,500.00
Demand at 25%	£252,618.75	£373,128.00
Demand at 50 %	£374,737.50	£615,757.00
Demand at 80%	£521,280.00	£906,912.00

**Estimated Budget*



4. OPTIONS

4.1 To address the significant potential shortfalls that are being faced in the DHP budget, there are a number of ways in which payments of DHP could be restricted. However in considering these options, it is important that the Council's objectives are considered, particularly in relation to the prevention of homelessness. By not making a DHP, the consequence could be that a family becomes homeless, and the Council have a duty to house them. The cost of a three bedroom house used as temporary accommodation is £300 per week. If a DHP of £30.00 per week (which is just over the reduction in LHA for 3 bedroom properties) would prevent this happening, then the Council is saving itself £270.00 per week, or £14,000 annually. As such, where there is a risk of homelessness, the solution could be to use money allocated for the prevention of homelessness to top up the DHP budget.

4.2 It should also be remembered that DHP's are discretionary and it is important that the Council does not fetter its discretion. As such whilst the Council needs to agree an approach to awarding DHP generally, it still needs to consider the merits of all DHP applications that are made.

4.3 The following options would all limit the amount of money paid in DHP:

A Do not pay Home Choice Cases

Currently half of DHP payments are made in respect of Home Choice properties. If DHP's were only used for non-Home Choice scheme cases then approximately £80,000.00 could be taken off the figures in the table above. Community Housing could use other funding streams such as the Homelessness Grant to support Home Choice tenants.

B Only pay Home Choice Cases

It could be argued that customers seeking Housing through the Home Choice scheme are some of the most vulnerable in Housing terms, and the Council should do all it can to support them. This would potentially exclude other vulnerable customers with different needs, and not support the aim of safeguarding tenancies.

C Restrict period of award

A number of Councils restrict payment of DHP to six months or even three months. Most of our awards are paid for the year, and often into subsequent years. Restricting payments to six months would save approximately 25% of the annual budget, or to three months would save approximately 70% of the budget.

D Do not use for short periods

Alternatively, a view can be taken that small payments for short periods are not preventing homelessness. Would a landlord evict someone for having a £250 shortfall over the course of a year? An option would be to only make a DHP if it was required for more than a fixed amount. If that amount was £250 we would save 18% of the budget based on 2010/11 expenditure. If it was £500, we would save 36%.

E Make awards until the budget runs out

A further option would be to spend up to the budget amount (or a fixed proportion over the limit), and then not make any further payments for the rest of the year. The problem with this option is that we may receive applications from people we would wish to support, later in the year when all funds have been dispensed. We would not be targeting money to people who need it most.

F Minor Policy Changes

The following are all areas where we could amend the DHP Policy to state that it is not intended to pay DHP's in the following circumstances:

Assistance with moving costs, rent in advance, and deposits

Shortfalls caused by a non-dependent deduction

A DHP is requested for a backdated period

DHP is not awarded where the applicant holds capital of over £16,000

Where the tenancy was not affordable when it was taken on

Where an applicant has multiple outstanding debts, and professional debt advice has not been sought nor a repayment plan established

Where there is affordable and suitable available alternative accommodation

Where applicants have not taken steps to reduce or remove their need for DHP and/or state the period of time they require the DHP

Multiple family units or households living in one property

4.4 Evaluation of Options

In order to meet the aims of the Council's DHP policy, it is recommended that Option F be adopted fully, and Options C & D be adopted as described below.

Option C:

DHP awards should be restricted to six months, unless there is no more affordable accommodation available which meets the needs of the applicant and their family. If there is no suitable, alternative accommodation, then sustaining a tenancy with DHP is the cheapest way of ensuring the claimant and their family are adequately housed. Community Housing will assist in making determinations as to whether suitable, alternative accommodation exists.

Option D:

DHP should not be awarded in cases where the total award is less than £250, or where the weekly award is less than £10. Amounts of this value are too small to make a difference when it comes to sustaining tenancies, and are relatively costly to administer.

Option F:

The DHP policy in Appendix 1 has been updated to reflect the measures included in this option. As with option C, Community Housing will assist in looking for alternative accommodation, and providing Housing advice to people who have shortfalls in their Housing Benefit. By working together with the Housing team, outcomes for claimants will be optimised.

Options A & B have the potential to exclude a large number of cases which the Council would wish to support, and as such is rejected.

Option E:

This is too arbitrary and does not allow the Council to direct support where it is most needed and which supports Council objectives. This too has been rejected.

As the policy is discretionary, we can not specifically rule out providing support in any given situation, and will consider exceptional cases (falling outside the general policy) on their individual merits if justification is provided.

5. BUSINESS CASE

5.1 As outlined above, the Council is permitted to spend £263,800 on DHP in 2011/12. The table in Section 3 shows that the demand for DHP is likely to be at least around this level for the current year. The government grant and contribution from Community Housing amounts to £230,520. A further £33,280 is required to allow the Council to maximise expenditure in this area.

5.2 £1,300 of DHP can sustain a tenancy for a family in a three bedroom property, by making up the difference between the old and new LHA rates. To house the same family in temporary accommodation would cost a minimum of £300.00 per week (£15,600.00 per year). Due to the shortage of temporary accommodation, Community Housing are having to increasingly turn to B&B style accommodation at a minimum cost of £450 per week (£23,400.00 per year).

5.3 Using DHP to sustain tenancies is a way of leveraging Council resources by avoiding the cost of temporary accommodation. In this way expenditure of £33,280 can save costs of £600,000.00. With 69 families currently in imminent danger of homelessness, this is an entirely realistic cost that the Council could be faced with.

6. LOCATION OF DHP FUNCTION

6.1 Consideration has been given as to where the DHP function should sit. Currently it is part of the Benefits Service, but it could be delivered by Community Housing.

Option 1 – Relocate the DHP budget and assessment function into Housing Needs

By relocating the DHP function into Housing Needs, all budgets relating to the prevention of homelessness and sustainment of tenancies would be in one place. As a potential impact of not paying DHP is that households become homeless, there is an argument that having a single point of control over both DHP and homelessness prevention/ temporary accommodation budgets helps to ensure

that the Council makes the most effective decisions, not least to minimise public expenditure.

Housing Needs are best placed to determine, the most appropriate option to help people who can't afford their accommodation. They can consider potential consequences for each case, together with the associated costs. Some double handling of work in relation to Home Choice applications would be eliminated, making the processing of Home Choice claims more straightforward. In addition, Housing Needs officers can assist with rent negotiations with landlords, where this might be feasible, and ensure that this work is fully incorporated into the DHP decision-making process.

However, the Housing Benefit context for this work would be lost, and there would need to be greater liaison between Housing Needs and Housing Benefits to manage cases, resulting in double handling of casework between teams. Housing Needs officers would require training in administering DHP, and Housing Benefits would still need to process the payments through their processes and ICT systems.

Option 2 – No change

If the DHP function did not move, the reverse of the above would be true, in that there would continue to be some dislocation in the management of the DHP and Homeless Prevention/ Temporary Accommodation budgets. The Home Choice team would continue to need to make some DHP requests on behalf of customers, resulting in doubling handling of information amongst Council officers. However, Housing Benefits would continue to deliver the Council functions that are overseen by the DWP, and manage that process from start to finish.

Recommendation

We would recommend Option 2 (No change), on the basis that any negatives of this arrangement can be overcome through effective joint working between the Housing Needs and Housing Benefit teams, with a corporate understanding of the impact on homelessness of limiting DHP, and an appreciation of the resulting costs of this. The Council's Legal Department also advised that we should retain the current arrangements from a governance perspective.

7. RISK

7.1 An evaluation of the risks associated with the implementation of this policy has been carried out. A detailed risk register is at Appendix 4.

8. CLIMATE CHANGE

8.1 This report has no impact on the Council's Carbon footprint.

9. EQUALITIES IMPACT

9.1 A Screening exercise has been carried out and is at Appendix 5. No undue, adverse impacts have been identified. However as the DHP budget is finite, and needs to be allocated within set guidelines, monitoring will be carried out to ensure there are no unintended consequences of the policy to any specific group of customers.

10. FINANCIAL IMPLICATIONS

10.1 One of the aims of this report is to seek the approval of recommendations which will limit expenditure in relation to homelessness. To do so requires expenditure of £34,000.00 from funds set aside as a contingency to deal with the consequences of an increase in homelessness. The measures outlined in this report, are intended to prevent this happening in the first place.

10.2 As outlined above in 5.3, a small expenditure in DHP, can help prevent much higher costs related to placement of people in temporary accommodation. The costs of this can be 18 times greater than the amount of DHP required to sustain someone in their current accommodation.

11. LEGAL IMPLICATIONS

11.1 The recommendations of this report are 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. Those administering DHP will ensure that assessments and payments are compliant with all applicable regulations.

11.2 As policy in this area is discretionary, the Council must ensure it does not fetter its discretion. Exceptional cases (which fall outside the scope of the general policy) will be considered on their individual merits.

Appendices to report –

- Appendix 1 – Amended Discretionary Housing Payments Policy
- Appendix 2 – Calculation of Future Cost of Discretionary Housing Payments
- Appendix 3 – List of Changes to Local Housing Allowance
- Appendix 4 – Risk Register
- Appendix 5 – Equalities Impact Assessment

Name and contact details of author:-

Paul Wilding (Benefits Manager) & Dave Scholes (Housing Needs Manager) Customer Services Tel: 01865 252461 e-mail: pwilding@oxford.gov.uk
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List of background papers:

Version number: 1

Appendix 1 – Oxford City Council’s Discretionary Housing Payment Policy

Allocation of Discretionary Housing Payments

1. Aims

- 1.1. To distribute funding granted under the discretionary housing payment scheme in an equitable way to meet given criteria, and to promote the following objectives:
 - alleviate poverty;
 - support vulnerable young people in the transition to adult life;
 - encourage Oxford City residents to seek and retain employment;
 - sustain tenancies and safeguard Oxford City residents in their homes;
 - help those who are trying to help themselves;
 - keep families together;
 - support the vulnerable in the local community;
 - help claimants through personal crises and difficult events.
 - Promoting good educational outcomes
- 1.2. In particular the Council wishes to support the following groups of people to remain in their current property, or neighbourhood:
 - Families with children at a critical point in their education
 - Young people leaving Local Authority care
 - People who would suffer a significant reduction in their quality of life if they had to leave the local area
 - People who have been previously homeless
 - People moving into work or undertaking training
 - People moving into affordable accommodation
 - Large families with no suitable alternative accommodation
 - Claimants being supported by Home Choice
- 1.3. To ensure as far as possible all customers are made aware of the availability of discretionary housing payments
- 1.4. To ensure central government funding for payments is spent in full.

2. References

- 2.1. DWP Guidance manual sections
- 2.2. Legislation
- 2.3. HB/CTB circular

3. Operation of the Scheme

- 3.1. The Benefits Service will treat all applications for DHP on their individual merits.
- 3.2. It is not usually intended to award DHP in the following circumstances, unless to do so would strongly support aims outlined in 1.1 and 1.2 above:
- Assistance with moving costs, rent in advance, and deposits
 - Assistance with Council Tax Benefit
 - Shortfalls caused by a non-dependent deduction.
 - Where a DHP is requested for a backdated period
 - Where Capital in excess of £16,000 is held
 - Where the tenancy was not affordable when it was taken on.
 - Where an applicant has multiple outstanding debts, and professional debt advice has not been sought, nor a repayment plan established
 - Where there is affordable and suitable available alternative accommodation.
 - Where applicants have not taken steps to reduce or remove their need for DHP, and/or state the period of time they require the DHP.
 - Where multiple family units or households are living in one property
- 3.3. In deciding whether to award a DHP, the Benefits Service will consider:
- how the award will meet the objectives above (paragraph 1.1 and 1.2)
 - the shortfall between Housing Benefit and the liability;
 - any steps taken by the claimant to reduce their rental liability;
 - the financial and medical circumstances (including ill health and disabilities) of the claimant, their partner and any dependants and any other occupants of the claimant's home;
 - the income and expenses of the claimant, their partner and any dependants or other occupants of the claimant's home. (All applicants will be required to complete an Income & Expenses Form.) Where it is felt that expenditure is inappropriate or incompatible with award of a DHP, the claimant will be referred to the CAB (or other appropriate agency)
 - any savings or capital that might be held by the claimant or their family;
 - the level of indebtedness of the claimant and their family;
 - the exceptional nature of the claimant and his / her family's circumstances;
 - the amount available in the DHP budget at the time of the application;
 - the possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation;
 - whether alternative, suitable and affordable accommodation is available
 - any other special circumstances brought to the attention of the Benefits Service.

The Benefits Service will decide how much to award based on all the circumstances. This may be an amount below the difference between the liability and the payment of Housing Benefit and / or Council Tax Benefit. An

award of a DHP does not guarantee a further award at a later date even if the claimant's circumstances have not changed.

- 3.4. The Benefits Service considers the DHP scheme should usually be seen as providing short-term financial assistance. The period of the award will be decided based on the criteria above and any evidence supplied. Normally awards will be made for a maximum of six months, unless there is no alternative, suitable and affordable accommodation, or where to make a longer award but support the aims set out in 1.1 and 1.2 above. The start date of the award will normally be:
 - the Monday after the Benefits Service receives the written claim for a DHP; or
 - the date on which entitlement to HB/CTB starts; or
 - another date, where this fulfils the objectives of this policy better than the dates above.
- 3.5. 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 awarded in light of the result of this claim.
- 3.6. The Benefits Service may need to revise an award of a DHP where the claimant's circumstances have materially changed. Any revision to the award will take effect from the Monday following the date of change in circumstances. If a revision of an award leads to overpayment then steps will be taken to recover this money if it is reasonable in the circumstances to do so.
- 3.7. To further the aim of safe guarding tenancies, a DHP will normally be made payable to the claimant's landlord. If the claimant wants the payment made to another party, they should make this request on the application form. This could be:
 - the claimant;
 - their partner;
 - an appointee;
 - their landlord (or an agent of the landlord); or
 - any third-party to whom it might be more appropriate to pay.
- 3.8. The Benefits Service will pay an award of DHP by the most appropriate means available in each case. This could include payment:
 - by BACS
 - by cheque
 - by crediting the claimant's rent account

Payment frequency will normally be made in line with payments of Housing Benefit.

- 3.9. Decisions regarding DHPs will be notified to the claimant within 14 days giving brief reasons for the decision and explaining the right of review the claimant has.
- 3.10. A more senior officer will review any DHP decision that is disputed by the claimant. If the decision is upheld and remains disputed a panel of senior council officers will meet to further review the decision. If the decision is still upheld, any further dispute must be dealt with by judicial review.
- 3.11. The Benefits Service is committed to the fight against fraud in all its forms. A claimant who tries to fraudulently claim a DHP by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where the Benefits Service suspects such a fraud may have occurred, the matter will be investigated and this may lead to the instigation of criminal proceedings.
- 3.12. The Benefits Service 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 web site.
- 3.13. The Team Leader/ Manager will extract reports 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. Spending to date and projected annual spending will be reported on a quarterly basis to voluntary groups and housing providers. Overpayments will be reconciled on a monthly basis.

4. Review

- 4.1. This policy was implemented with effect from 1 October 2011. It will be reviewed no later than 1 October 2013.

Appendix 2

Calculation of Future Cost of Discretionary Housing Payments

We pay approximately half of the DHP applications we receive. Based on the number of applications received up to the end of December 2010, we should get around 700 applications in total for the year. LHA cases account for 90% of all requests for DHP, which would be 630 cases. There will be extra demand for DHP's from all other LHA cases as they will have shortfalls based on the new way of calculating the LHA rates. This numbers an additional 1,757 cases. These existing cases will be subject to transitional protection as described above, so will only create extra demand once this runs out.

New cases however will be subject to the new rules straight away. Approximately 650 new cases are received each month, of which 20% will be LHA cases (130).

So for 2011/12, it is estimated that 1560 new cases and 439 existing cases will be come subject to the new rules. The existing cases will only be affected for a short period during 2011/12 (as cases will become subject to the new rules at different times during the year) so I will treat that figure as 55 cases for the purpose of calculating the annual demand. ($439 / 12 * 1.5$, reflects the fact that each affected case will be affected for an average of 1.5 months)

Similarly as the 1560 new cases won't all be affected for the full year, I will treat that figure as 780. This is a total of 835 cases. There are four response that affected people could opt for, so I have made calculations allowing for 25%, 50%, and 80% of cases requesting assistance from the Council.

The average weekly shortfall is estimated to be £22.50 per week, so this figure is used to calculate the increase in demand. I have continued to assume that half of applications will be successful.

The same principles have been used to estimate the additional requirements in 2012/13.

Appendix 3

Housing Benefit and Council Tax Benefit Changes 2011-13

- April 2011: National cap on rates of Local Housing Allowance (LHA)
Removal of the 5 Bedroom Rate from the LHA Scheme
LHA Rates set against the 30th percentile of local rents
An Additional Room allowed for claimants requiring an overnight carer
Transitional Protection provided for existing claimants
Increases in Non-Dependant Deductions
- January 2012: Extension of Shared Accommodation rate to 25-34 year olds.
- April 2013: Introduction of Total Benefit Cap (£500 for families)
Replacement of Council Tax Benefit
LHA rates to be updated by CPI
Size restriction applied to social sector
- October 2013: Introduction of Universal Credit

Appendix 4

Risk Register

Nos.	Raised by	Date Raised	Probability	Impact	Gross Risk Score	Proximity	Description	Mitigation	Owner	Target Date	Revised Probability	Revised Impact	Residual Risk Score
126 DHP001	PW	16/08/2011	3	4	12	Short term	Council fails to maximise DHP expenditure	Ensure that DHP report clearly outlines the consequences of not maximising support, and demonstrates its cost effectiveness compared to alternatives	PW	31/03/2012	2	4	8
DHP002	PW	16/08/2011	4	4	16	Short term	Those most in need of support don't receive it due to budget being spent before EOY	Monitor expenditure monthly. Provide scope to amend policy during year to target those most in need	PW	31/03/2012	3	3	9

DHP003	PW	16/08/2011	3	2	6	Short term	Low take up of DHP due to lack of awareness among customers	Promote DHP through partner organisations, and Council publicity materials	PW	31/01/2012	2	2	4
DHP004	PW	16/08/2011	2	4	8	Short term	Unintended negative impact on specific customer groups	Monitor successful and unsuccessful applications against the criteria established in the policy	PW	31/01/2012	1	4	4

Appendix 5

Discretionary Housing Payments Policy – Equalities Impact Screening 16 August 2011

1. Which group (s) of people has been identified as being disadvantaged by your proposals? What are the equality impacts?

The recommendation proposes extending the amount of financial support available for people whose Housing Benefit does not meet their rental liability. The proposed source of this funding is the Homelessness Prevention Fund which is precisely the kind of expenditure for which the fund is intended to support. To this extent, more families will be supported by implementing these changes than by leaving things as they are.

Last year 377 claimants were supported with DHP payments in Oxford. Approximately 90% of these were private tenants, receiving Local Housing Allowance (LHA). The government have made a number of changes to LHA regulations which will see the amount of Housing Benefit received by these claimants reduce. There are approximately 2,500 recipients of LHA in Oxford, which is 20% of the whole caseload. All of these claimants not already in receipt of DHP may need support from the Council to retain their tenancy. It is therefore anticipated that most of the additional DHP spend will go to private sector claimants.

Social sector tenants are not seeing the same kind of reductions in their entitlement. However the revised policy will apply equally to claimants in the social sector.

A consequence of the reduction in LHA rates is that private sector landlords are moving away from the Housing Benefit market. With a robust market for students and young professionals, landlords are able to obtain higher rents in these markets. If landlords are aware that the Council is trying to support people in the private sector, they may be encouraged to remain in this market. A recent survey of available two bedroom properties in Oxford showed that there were only 10 properties within the LHA rate. However of these only one landlord was prepared to let to an LHA claimant.

The award of DHP's is intended to prevent homelessness. An analysis of people presenting as homeless shows that Black/Black British people are over represented (14.3% against Office of National Statistics projection of 3.2%). White British (52.3% /71.7%) and Chinese and Other ethnic groups (1.7%/5.1%) are under represented. Asian and Asian British people are represented in line with expectations (5.4%/6.2%) The ability to provide further support with DHP's should therefore impact on these groups in a similar way.

Within the new DHP policy it is proposed not to provide support for shortfalls

in Housing Benefit caused by a result of a non-dependant deduction. The impact of this change will not impact one group any more than another.

The proposal not to support multiple family groups living together in a property could impact more upon families of a SE Asian background. However support will still be provided if there is no suitable alternative accommodation. The reason for not providing this support is that government has restricted payment of Local Housing Allowance to properties with four bedrooms. The cost of supporting multiple family units in larger properties is very expensive and takes a significant proportion of the total DHP budget. As such it is reasonable to expect that some larger families may not receive support, or may receive a reduced level of support.

Figures for the amount of support provided to multiple family units are not currently available. However individual DHP awards in this category tend to be around £5,000 - £8,000 p.a. Following the adoption of the amended policy, these awards will be monitored so we have a clear picture of the impact on the DHP budget.

2. In brief, what changes are you planning to make to your current or proposed new or changed policy, strategy, procedure, project or service to minimise or eliminate the adverse equality impacts?

Please provide further details of the proposed actions, timetable for making the changes and the person(s) responsible for making the changes on the resultant action plan

The aim of amending the DHP policy is to help more families and individuals retain their tenancies than are currently supported. In addition to the financial support that we can provide, our Housing team will assist customers in negotiating new rents with landlords and in trying to find alternative accommodation if the rent is unaffordable. We will also be signposting customers who are in debt to appropriate advice agencies who can assist them in tackling this issue. At some point during the next year, all LHA recipients may have need to access this support, as they deal with the consequences of a reduction in their benefit payments.

For families who may be affected by a restriction in support for multiple family units who are living together, we will assist in locating suitable accommodation for the different families. Where this can not be found, we will continue to support them in their existing accommodation as far as the DHP budget allows.

Please note that the Home Choice team already do this for families who are in danger of becoming homeless. Oxford has been previously recognised as a Homelessness Champion and has a great deal of experience with this kind of work.

3. Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.

Please note that you are required to involve disabled people in decisions that impact on them

We are not consulting externally on the change to the DHP policy. The report is the product of joint working between the Benefits and Housing team. By working together we were able to properly consider the impact of changes in the DHP policy on the ability to sustain tenancies. It has also been possible to consider how realistic it is that people will be able to find alternative accommodation which has helped predict the increased demand on the DHP budget. Due to the restrictions imposed by regulations in this area, the Council is quite constrained in the actions it can take. As such the process of consultation may raise unrealistic expectations and would be a non-productive exercise at this point. as it would not generate any information that the Council hasn't already anticipated or did not know.

4. Can the adverse impacts you identified during the initial screening be justified without making any adjustments to the existing or new policy, strategy, procedure, project or service?

Please set out the basis on which you justify making no adjustments

As outlined in Section 2 above, adjustments have been considered to provide support to anyone who is adversely impacted by this policy. In addition, as this policy is discretionary, all applications will be considered on their merit. Where an application meets the aims outlined in sections 1.1 and 1.2 of the policy, it is intended to provide support.

The policy is a fairly straightforward one to apply. The primary concern is that any future difficulties will be due to the anticipated rise in the volume of claims that will be made. CEB 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.

5. You are legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please provide details of how you will monitor/evaluate or review your proposals and when the review will take place

Unsuccessful applications for DHP will be reviewed on a quarterly basis to try and identify any trends showing unexpected equality impacts. This will be undertaken by the Benefits team leader responsible for this area. The first review will be made in January 2012.

We will monitor recipients by ethnicity, and also in respect of the impact of the proposed changes as outlined in the main body of the report. Monitoring will be carried out on both successful and unsuccessful applications. Monitoring reports will be provided on a monthly basis.

Lead officer responsible for signing off the EqIA: Paul Wilding

Role: Benefits Manager

Date: 21 September 2011

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