

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

POLICY DEVELOPMENT GROUP – 12 MARCH 2014

Title of report	DISCRETIONARY HOUSING PAYMENTS – OVERVIEW OF THE CURRENT SCHEME AND THE AWARDS MADE IN 2013/14
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Purpose of report	To outline the Discretionary Housing Payments (DHP) Scheme to enable Members to debate the recently aligned and updated DHP policy.
Council Priorities	Homes and Communities Value for Money
Implications:	
Financial/Staff	The DHP scheme is administered by the staff within the Leicestershire Partnership – Revenues and Benefits. The Department for Works and Pensions provides an annual DHP budget to each Local Authority based on their Benefits caseload.
Link to relevant CAT	Welfare Reform CAT
Risk Management	Risks have been considered and are covered within the policy
Equalities Impact Assessment	An Equality Impact Assessment has been undertaken as part of the policy
Human Rights	N/A
Transformational Government	N/A
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory

Comments of Deputy Monitoring Officer	The report is satisfactory
Consultees	In drafting the DHP policy the following people/organisations were consulted: The Leicestershire Partnership (North West Leicestershire DC, Harborough DC and Hinckley & Bosworth BC) Housing Departments at each Council. Housing Associations Leicestershire Welfare Practitioners Group. Citizen's Advice Bureau
Background papers	DHP Policy http://www.nwleics.gov.uk/pages/executive_decisions_background_papers
Recommendations	THAT MEMBERS NOTE THE REPORT

1.0 BACKGROUND

- 1.1 Discretionary Housing Payments (DHPs) are intended to provide housing benefit claimants with further financial assistance when an authority considers that help with housing costs is required.
- 1.2 DHPs are made at the discretion of the Authority and their purpose is to ensure that those who claim Universal Credit (UC) in future and/or housing benefit (HB) do not suffer high levels of hardship where there is a shortfall between the amount of rent due and the amount of benefit being paid. The amount of rent being paid therefore determines the maximum award of DHP that can be paid in an individual case and housing benefit must be in payment for the period under consideration for the customer to be eligible for a DHP award.
- 1.3 In November 2013, following consultation with key stakeholders, the Joint Committee for the Leicestershire Revenues and Benefits Partnership approved an aligned and updated DHP policy for the partner Authorities. The revised policy was updated to reflect the Welfare Reforms introduced by Central Government in April 2013 and to allow for one efficient, standardised procedure to be followed by the staff administering the DHP scheme for all three Councils.
- 1.4 At the Council meeting held on 29 October 2013, a question was raised by a member of the public regarding the calculation of DHPs under the proposed DHP policy with specific reference to the inclusion of Disability Living Allowance (DLA) in the DHP income and expenditure assessment. The specific question raised was:

"It is my understanding that this Council, when calculating qualification for discretionary housing payments uses Disability Living Allowance (DLA) as an income. As far as I am aware DLA is not means tested and is not listed as income on any Government literature. DLA is meant for the specific purpose of helping disabled people live independently and to have the adaptations and treatments they require. This policy disadvantages the disabled when requesting discretionary housing payments, as it is extremely difficult and challenging for many to identify all costs related to their disability when assessments are made. If DLA was not used as income this disadvantage could be removed.

I ask that this Council reviews this policy as a matter of urgency, and considers removing DLA from calculations when assessing people's income".

1.5 The response given at Cabinet by Councillor Bayliss was as follows:

"Discretionary Housing Payments are very different to state benefits or Council Tax Support. They are intended to be paid for a very short period of time to people in desperate and immediate need until they are able to make any changes necessary so that they can live within their means. They are not a replacement or compensation for reductions in welfare benefits. The funds provided by Central Government are limited, £103k in 2013/14, so objective criteria are applied to ensure that the limited resources are made available to the most needy.

The assessment of awards of Discretionary Housing Payments is therefore quite different from that of state benefits. Yes, Disability Allowance Income is taken into account, but so are the costs which this income is intended to cover. These include mobility costs, care costs, special dietary needs and additional fuel costs.

If Disability Living Allowance was to be disregarded as income then the costs associated with the disability would also be excluded from calculations. The current process allows additional costs to be included making it a fairer assessment of need".

1.6 At the Council meeting, Members decided that there should be a further debate on this issue, looking at DHP's in greater depth in order to fully understand the updated policy and its implications for disabled people. This report provides background information to enable Members to debate this issue more fully. The report gives an overview of the process followed when administering and calculating DHPs, it covers the revisions in the DHP Policy, the number of DHP applications received since the Welfare Changes were introduced and provides a breakdown of the reasons for the DHPs awarded between April 2013 and February 2014. The report also outlines the steps taken to promote the DHP scheme to those most in need.

1.7 The policy sets out aligned criteria which each Council adheres to but, as this is a discretionary scheme, each DHP application must be considered on its own merits, on a case by case basis. It is therefore not possible to say, for example, that all those in receipt of Disability Living Allowance will get a DHP award, as this would be considered a blanket policy and would not be permissible under the funding arrangements.

2.0 BREAKDOWN OF THE 2013/14 DHP APPLICATIONS

2.1 Since 1 April 2013 the majority of applications made for DHP have been due to the introduction of the Social Sector 'Under Occupancy' changes which were introduced on 1 April 2013.

2.2 Up to 31 January 2014, the Council awarded DHP to 76 council tenants and 77 private tenants, giving a total of 153 successful applications.

2.3 In the same period the Council refused 96 DHP applications, affecting 79 customers.

2.4 The 2013/14 budget for DHPs for North West Leicestershire DC (NWLDC) is £102,824.00 an increase of approximately £80,000 due to the welfare changes introduced in April 2013.

The Council is permitted to add to this budget by a factor of 2.5; i.e. up to a further £257,060.

- 2.5 The table below shows the amounts that have been spent so far and the amounts that are committed but not yet spent (as at 31 January 2014):

DHP Payments up to 31 January 2014:

Reason for DHP award	Payment made
Other	£115.65
Non-Dependent Deduction	£115.32
Legislation Change	£554.35
Social Size Criteria	£36147.50
Income Tapers	£412.62
Rent Restrictions	£7403.81
Benefit Cap	£2820.11
Combination of Reforms	£266.40
Rent Deposit	£850.00
LHA Reforms	£8593.75
Rent in Advance	£1483.92
Baby Due	£1906.57
Total:	£60,670.00

DHP Future Committed Payments:

Reason for DHP award	Payment made
Combination of Reforms	£77.70
Income Tapers	£388.10
LHA Reforms	£1192.32
Social Size Criteria	£7344.36
Benefit Cap	£411.47
Rent Restrictions	£1948.25
Baby Due	£55.23
Total:	£11,417.43

- 2.6 The Partnership has closely monitored the DHP expenditure throughout the year. At the end of Quarter 1, it was clear, by assessing the number and type of successful applications that by continuing to use the existing financial criteria, there would be a significant underspend by the end of the financial year. This led to the revision of the financial criteria, disregarding child benefit and increasing standard amounts for essential spend on utilities and food. A tolerance was also created, making awards where the difference between income and expenses was below £20 per week.

3.0 DISABILITY LIVING ALLOWANCE CASES

- 3.1 Where the customer or household member is disabled, higher figures are allowed in the DHP calculation for **all expenses** and the DLA is included as income. A major consideration is if they have an adapted property or a terminal illness. DHP is a financially based decision and there have been several cases where the level of income significantly exceeds the expenses. All applications were reviewed when the criteria was changed at the end of Q1.

- 3.2 Of the DHP payments made so far, 28 customers were in receipt of DLA and received £10,928.28 or 18% of the expenditure.
- 3.3 There were 50 unsuccessful cases, where the claimant was in receipt of DLA. This was mainly due to the claimant having more income than expenditure of approximately £47.50 per week on average. The shortfall between rent charged and housing benefit paid in total for these cases is £1,989.51 per week. If the Council awarded DHP for a 26 week period in each of these cases, this would give rise to expenditure of £51,727.26. Therefore the Council would have exceeded the £102k DHP budget by approximately £20,000 as at February 2014.

4.0 CALCULATION OF DHP

- 4.1 DHP is calculated by comparing the income and expenditure of the customer on a financial statement.
- 4.2 Where the figures given are deemed excessive, or indeed, not high enough, then they will be amended to reflect a reasonable amount based on the trigger figures used by Citizen's Advice Bureau debt advisors.
- 4.3 Where outgoings exceed income then a DHP is generally awarded, although it can be awarded when income is higher, if the award would meet the DHP policy, and the claimant's financial statement has been updated to allow for more expenditure for those with disability needs. It is expected that claimants with disabilities will have higher household bills than others, to cater for their specific needs.
- 4.4 As part of the calculation process a £20 threshold is applied i.e. if the excess income is no more than £20, the claimant may still be awarded the DHP, depending on their individual circumstances.
- 4.5 The length of awards has been extended to 26 weeks in most cases, not 13 weeks as stated in the previous policy. This is mainly due to customers not being able to change their situations in such a short period, e.g. find smaller suitable accommodation when there is a national shortage.
- 4.6 As stated in Councillor Bayliss' response to the question raised about including DLA in the income, the DHP calculation also takes into account the specific expenses incurred by the claimant in regard to their disability, from which, there is an expectation that their DLA will pay for these additional expenses. The claimant is specifically asked to provide details of their expenses in relation to their disability such as transport costs, additional fuel costs, hire/purchase/maintenance of mobility equipment etc. Where no detail is included, despite guidance being provided on how to complete the form, and where the Council cannot reasonably infer that such expenses exist, the Council has to assume that there are no such expenses and therefore, a DHP is not applicable due to their excessive level of income.
- 4.7 The Partnership and other Leicestershire Authorities do not generally award DHPs where there is a housing benefit overpayment; instead the team look to reduce the rate of recovery from ongoing benefit. The team will however, give consideration to awarding a DHP, where there may be a possible eviction. As always, each case will be considered on its own merits, as per DWP guidance.
- 4.8 The Benefits Team encourages supported applications from housing officers, social workers, advice agencies etc. as detailed supporting information enables the Council to make a more informed decision on each application.

5.0 PROMOTION OF THE DHP SCHEME

5.1 Various activities have been undertaken by the Partnership to encourage the take-up of DHPs. These activities are summarised below.

- DHP awareness sessions have been delivered to key stakeholders and third sector partners.
- Customer Services were briefed on the DHP scheme in order to promote this to customers face to face and on the telephone.
- The website details and promotes the scheme.
- The Partnership's Welfare Officers have targeted customers for Council Tax Discretionary Discounts and for those in receipt of Housing Benefit; these applications have also been assessed for DHP purposes.
- The Recovery Team have also issued Discretionary Discount forms, which again are also assessed for DHPs, where appropriate to do so.
- The Partnership has worked closely with the Welfare Reform Officer in Hinckley & Bosworth's Housing Team who supports applications with a detailed letter and further evidence, this has worked extremely well. The Partnership has provided a list of potential cases to NWL Housing colleagues for them to target tenants in arrears and provide support to complete DHP applications.
- The NWL Housing Team has liaised with the Partnership on specific cases with rent arrears.
- The DWP provided marketing material which all Councils could utilise to promote their financial assistance schemes.
- A DHP leaflet has been produced, which gives claimants details of how to access the scheme.

6.0 THE NEW DHP POLICY

6.1 When aligning the policy for the Partnership, officers considered the most recent set of Department for Works and Pensions (DWP) guidance, which came out in April 2013. The new guidelines were introduced to reflect the Welfare Reform changes introduced in 2013. The previous DHP policy was mainly concerned with assisting those who had a shortfall in their rent, where they could show that their outgoings were in excess of the income but it did not cover anything about the specific groups affected by the welfare reforms.

6.2 The policy was amended to reflect the abolition of Council Tax Benefit. DHP's are no longer paid towards a Council Tax liability. There is a new discretionary fund which is used to support those with shortfalls in their Council Tax where they are in receipt of Council Tax Support.

6.3 The new policy goes into more depth about the circumstances that we will consider an award for DHP for, as the DHP scheme now incorporates welfare reforms.

6.4 In addition to a 'shortfall in the rent', DHP awards can also be considered in the following circumstances:

- Rent in Advance
- Deposits
- Lump sum costs such as removal costs

6.5 The Leicestershire Partnership policy states which new groups of people it will consider awarding a DHP to. These include:

- Those affected by the Local Housing Allowance changes
 - Those affected by the benefit cap
 - Those affected by the size criteria in the social rented sector
- 6.6 Under the above headings, the new policy states which groups are likely to need help from the DHP fund.
- 6.7 Objectives that must be considered when deciding a DHP award have been clearly stated in the new policy to ensure that the policy meets each Local Authority's corporate aims.
- 6.8 The DHP funding will not cover every person affected by welfare reform changes but to ensure that the most vulnerable groups of people are considered for help, the Partnership has identified prioritised groups that could be offered DHP to enable them to stay in their home:
- families with children at a critical point in their education;
 - young people leaving local authority care;
 - foster carers, including those between placements;
 - People going through the approval process to become foster carers who may need to show that they have a spare room to be approved;
 - families with kinship care arrangements;
 - families with a child temporarily in care but who is expected to return home;
 - families with a social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project;
 - people who have had to flee domestic violence or have moved because of the threat of violence in another area;
 - where someone in the household is expecting a baby (including those currently in shared accommodation or subject to an under-occupation reduction);
 - ex-homeless people being supported to settle in the community;
 - people with health or medical problems who need access to local medical services or support that might not be available elsewhere;
 - people with disabilities who need, or have had, significant adaptations made to their property, or where they are living in a property particularly suited to their needs.
 - where the claimant or someone in their household has a disability which requires them to have a larger property than would usually be the case for the size of their household;
 - people with disabilities who receive informal care and support in their current neighbourhood from family and friends which would not be available in a new area;
 - households with disabled children who require an overnight carer;
 - the elderly frail who have lived in the area for a long time and would find it difficult to establish support networks in a new area;
 - people who need to live near their jobs because they work unsocial hours or split shifts; or where moving home may mean living in an area where public transport would be inadequate to enable them to sustain their current job.
 - Single under 35's, with priority being given to the following households:
 - where the claimant is in receipt of any element of DLA
 - any history of rehabilitation from drug or alcohol related dependency
 - cases placed through the Homeless Teams
 - those who have exhausted their options through the Homeless Prevention Fund
 - those within 6 months of their 35th birthday.
- 6.9 The new policy also goes into more detail as to the criteria to be applied in deciding a DHP award:

- financial circumstances,
- prevention of homelessness,
- sustaining tenancies,
- the household's medical circumstances and
- other general circumstances

6.10 There is more detail in the new policy on how to obtain a review of a DHP decision and the recovery of a DHP, if it has been paid when the circumstances no longer warrant it.