

Report of the Interim Director of Corporate Resources to the meeting of Corporate Overview and Scrutiny Committee to be held on 21 February 2018

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Subject:

Discretionary Payments

Summary statement:

This report provides an update on the support provided by the Council, to financially vulnerable residents, through the Discretionary Housing Payments (DHP) scheme and the Local Welfare Assistance Scheme during the period 1 April 2017 to 31 December 2017

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1. SUMMARY

This report provides an update on the support, provided by the Council, to financially vulnerable residents, through the Discretionary Housing Payments (DHP) scheme and the Local Welfare Assistance Scheme during the period 1 April 2017 to 31 December 2017.

2. BACKGROUND

At a Committee meeting on 2 February 2017, when a report was presented on progress with the Discretionary Housing Payments scheme and the Assisted Purchase Scheme the Committee resolved to ask for a further progress report in 12 months time.

This report therefore gives an update on the support provided from 1 April 2017 to 31 December 2017 on both the Discretionary Housing Payments (DHP) scheme and the Local Welfare Assistance Scheme including the Assisted Purchase Scheme (APS).

It also outlines some ideas for change to ensure the Local Welfare Assistance offer continues to act as a 'safety net' for the most vulnerable in Bradford.

3. OTHER CONSIDERATIONS

3.1 Discretionary Housing Payments (DHP)

Members of the Committee will recall that the DHP scheme provides additional support with housing costs. This national scheme, administered by Councils, helps people entitled to Housing Benefit and increasingly those in receipt of Universal Credit, where there is a Housing Element, with certain housing costs that otherwise could not be met. The legislation sets the broad parameters of the scheme, and allows the Council to develop the scheme in support of local housing needs and priorities.

This year the Council has chosen to prioritise the use of this funding still further, to support the most vulnerable. The scheme has been amended to give more support to households who have children. It is clear that families with children have borne the brunt of many of the changes; limiting the support provided through Child Tax Credit to two children; removal of the 'family element' of £545 per year in the calculation of various benefits; and the reduced level of income at which the benefits cap now applies. Information on how to claim Discretionary Housing Payments is now available in all council maintained schools for the benefit of parents. In the period to 31 December 2017, 917 families were assisted this is an increase of 328 on the same period last year, a 64% rise.

In addition, the Council has revised the scheme by linking an award for DHP to the need to actively seek employment or take up skills training. Working closely with colleagues in Children's Services, the team now provide information on how to obtain details of skills and training for employment with each award letter. It is also made clear that there is a requirement to take up any opportunities which may arise or any future award of a DHP may be affected. So far this year the Council had assisted 215

applicants with help whilst they find employment and 242 applicants whilst they adjust to having found employment. Additionally 35 applicants have been taken out of benefit altogether, having found employment.

Table A below, shows the number of DHP applications received by the Council, in the last 3 years. This is split between those who receive a lump sum payment, ie for rent in advance, and those households who are assisted weekly with the shortfall between what they have to pay in rent and what they receive in Housing Benefit (or Universal Credit).

Table A	2015	2016	2017 (to 31 Dec)
Number of Applications	3,975	4,573	3,266
Number of Households Assisted (weekly)	2,513	2,480	1,969
Number of Lump Sum Payments	559	485	438

As Table A indicates, not all claims for DHP's are successful.

Table B shows the main reasons for refusing an award as a percentage of all refusals. There has not been a great deal of fluctuation in the numbers or the reasons for refusal in the three years shown, although the Council will have to continue to monitor this, especially if claims that provide insufficient information continue to grow.

Table B	2015	2016	% refused to 31 Dec 17
Income sufficient to pay shortfall	15%	19%	21%
Requires a perm/long term award	5%	5%	2%
No shortfall	6%	6%	5%
Excessive expenditure	3%	5%	4%
Ineligible (no benefit claim)	15%	9%	7%
Insufficient Information	8%	11%	14%

Table C shows the main reasons for an award being made, as a percentage of all DHP awards

Table C	2015	2016	2017 (to 31 Dec)
Reduction in Social Sector Size Criteria	51%	43%	32%
Other reasons	38%	40%	37%
Benefit Cap	4%	7%	24%
Changes to shared accommodation rate	7%	10%	7%

This shows the significant rise in support provided for those affected by the reduced benefits cap and reflects the Council's efforts to support families. The team have targeted those claimants adversely affected to ensure they receive the help available to them. To date 378 claimants affected by the cap have been helped this year compared with 178 for the 2016/17 year.

Lump Sum Payments

Lump sum payments can be made in a number of cases and **Table D** below shows the main reasons for the payment and the number paid, to 31 December 2017

TABLE D	2015	2016	2017 (to 31 Dec)
Reason For Lump Sum payment			
Rental Bonds	162	94	60
Rent in Advance	214	161	120
Removals, no shortfall	74	65	45
Removals, reduced shortfall	26	22	6
Removals, out of area	3	3	7
To clear Arrears	37	25	112
Housing Options	43	87	80

DHP's can be used to clear arrears in those cases where eviction is imminent and there is the potential of homelessness as a result. This year there has been a significant increase in cases where a DHP has been used to reduce or clear arrears and as a consequence remove the immediate threat of eviction. Registered Social Landlords have instigated eviction proceedings on an increased number of tenants who have failed to engage with them. These tenants are in the main those that have been affected by the Social Sector Size Criteria or the Benefit Cap.

Funding removals can be for a variety of reasons not just as a result of the SSSC. For example there may be cases where claimants are fleeing domestic violence situations.

The Housing Options team can deal with people who ordinarily would qualify for a DHP, but, because they are not in receipt of Housing Benefit or the housing element of UC, their application would be refused (the regulations state that to receive a DHP an applicant must be in receipt of one of these benefits). Some landlords are not prepared to wait for a successful claim for bonds or rents in advance. However, working with the team, Housing Options are able to make payments to landlords, in lieu of a DHP being awarded, which results in a positive outcome for the applicant and the council.

3.2. Local Welfare Assistance

As Members of the Committee will recall the Government announced, in January 2014, that there would be no further funding available for local welfare assistance. Because of this, the Council took the decision to discontinue the local welfare scheme of Community Care Grants and Crisis Awards, known collectively as Discretionary Support Payments (DSP), in favour of an Assisted Purchase Scheme (APS). This can assist in purchasing essential household goods and for those experiencing severe financial hardship and provides funding to the Advice Services to support the provision of food parcels and fuel top up.

Three years on, it is time to review the scheme and ensure it is still meeting its purpose. Consultation with users and providers showed us that take-up is low and may not be as

accessible as it could be. The Portfolio Holder has asked that a report be brought to the Council's Executive to review the scheme and some of the ideas that they might consider are set out below.

The Corporate Overview and Scrutiny Committee's view on these would be welcome.

3.2.1 Assisted Purchase Scheme (APS)

This scheme replaced the Discretionary Support Payment (DSP) scheme and is intended to help low-income households to buy or replace essential household items, such as cookers and beds, in order to maintain or improve their own health and well-being, or that of their family. It consists of two elements; the provision of new items, and the provision of second-hand/reconditioned items.

Low income households (or individuals) who are able to apply to the scheme are:

- those leaving a care home, prison, hospital or similar e.g. a women's refuge, to become established in the community
- those who are at risk of entering a care home, hospital or similar if they are not able to obtain certain essential items
- those fleeing domestic violence
- those who are experiencing extreme financial pressure

The Council assesses whether the applicant is eligible under the scheme, and if so, provides the applicant with details of how to proceed with making a purchase through Smarterbuys for new goods and CHAS/St Vincent's, British Heart Foundation or Newlands Furniture Project for used goods.

Table E below, shows the numbers of applications made for both new and used goods

Table E	To 31 Dec 2017
NEW GOODS	
Number of applications accepted on website	621
Number approved to go to Smarterbuys	24
Number who choose go to Smarterbuys	8
% who choose go to Smarterbuys	33%
Number who obtain new goods	1
USED GOODS	
Number of Applications received	390
Number of applications approved	185
% who are approved for used goods	45%

Help for people in severe financial hardship

Residents can often find themselves in such dire financial circumstances that they do not have enough money to buy food or to meet energy costs for cooking and heating. Experience of the previous DSP Crisis Award scheme has shown that it is often difficulties with the benefits system; poor money management; a lack of financial planning; personal

or social issues; or a combination of these, which is the cause of the difficulties.

Since 1 April 2015, the Council has been signposting to Bradford District Community Advice Network to support this group with the provision of a food parcel or a top up of a fuel pre-payment card. Applicants can receive a top-up of up to a maximum of £80.00 per year. In 2015/16 the Council paid out £31,830 and last year saw this amount increase to £49,837. In the year to 31 December 2017, the Council spent £30,408 on fuel top up.

A key element of this scheme is the need to accept debt advice before support can be offered. In this way the resident is better placed to manage their finances going forward and the future demand on the fund is minimised.

Management information about this scheme is poor and the aforementioned review will propose improvements.

3.2.2 Local Welfare Provision in the future

The consultation undertaken last year involved a number of stakeholders and the information obtained and recommendations have informed a number of changes to make the scheme more responsive to needs.

These include

- The provision within the loan to cover the cost of installation of any white goods which was not previously provided for and was seen as an obstacle to some applicants who would otherwise have benefited from the scheme.
- Amendments to the way the team recovers outstanding loans to ensure that the most vulnerable of all are not excluded from the scheme.
- Including essential non food items such as toiletries, sanitary products, household cleaning materials and baby products. Whilst provision of food either in the form of parcels or a hot meals service is well provided for, provision of essential non food items is very sporadic and dependent upon donations received. The most effective way of addressing this need may be to provide one off funding of a fixed amount to one or more of the most prominent agencies working in this area. Members may recall a similar approach to providing funding for food parcels back in April 2015.
- Bringing together the existing Fuel Top-Up Scheme with element of the previous Warmer Homes Healthy People (WHHP) scheme, which assisted customers with payment towards fuel arrears, by adopting a new Fuel Assistance Scheme

Members may recall that previous funding for this support, under the WHHP scheme has ended and that part of the scheme was procured by Groundworks for the next two years who upon receiving referrals from advice agencies provide effective assistance, advice and information on how to prevent fuel loss and sustainability. The proposed Fuel Assistance Scheme will run alongside the current Groundworks offer.

4 FINANCIAL & RESOURCE APPRAISAL

4.1 DHP Scheme

The DHP scheme is funded by Government and the Council can top up the funding if it so wishes. The Government announced that Discretionary Housing Payments (DHP) funding will be £800m nationally over the 5 years commencing April 2017 with £150m of that being earmarked for this financial year and £185m next. Bradford received £1,416,491 for this year. It has been announced that next year we will receive £1,367,497. The Council will continue to endeavour to allocate all of this funding

4.2 LWA Scheme

The Committee will recall that the Council decided to set aside the under spend from the Discretionary Support Payments scheme in 2014/15, totalling £1,848,000, to fund the new arrangements for 2015/16 onwards.

The proposals that will be presented to the Executive will mean that this funding will allow the Council to continue to deliver this support for five further years.

5 RISK MANAGEMENT AND GOVERNANCE ISSUES

The extent to which Discretionary Housing Payments can mitigate the impacts of the Local Housing Allowance and other welfare changes must be viewed against a total spend on Housing Benefit in the District of over £180m.

The continuing roll out of Universal Credit will impact on the current ways of working of the team administering DHP's. The need to limit the length of awards to mitigate the risk of overpayment is something that could put pressure on resources and this will need to be monitored and managed carefully.

If the Government publishes an indicative amount that it considers the Council should be spending on Local Welfare Provision, public expectations could be raised which the Council may not be able to meet. It would also make the Council's budget setting process more challenging, particularly as budget proposals, and consequent consultation, do not take this into account.

6 LEGAL APPRAISAL

The regulations covering Discretionary Housing Payments are The Discretionary Financial Assistance Regulations 2001. Although the legislation gives a very broad discretion, decisions must be made in accordance with ordinary principles about good decision making. In particular, the council has a duty to act fairly and consistently.

Bradford Council's administration of Discretionary Housing Payments complies with both the legislation and the Discretionary Housing Payments best practice guide.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

The provision of support described in this report is based on need and income, and access to support by people with protected characteristics is not restricted. Provision is available to all low income households. National research indicates that Black and Ethnic Minorities communities are more likely to live in poverty, and in the district, there are substantial populations of these communities. In the absence of other support networks, these communities could be more likely to access the scheme than other communities.

7.2 SUSTAINABILITY IMPLICATIONS

The schemes support improvement in the well being of individuals and families. It helps people to return to, or maintain themselves in, the community which helps people to remain within their community and support networks; thereby supporting the development of more sustainable communities.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

There are no greenhouse gas emissions impacts

7.4 COMMUNITY SAFETY IMPLICATIONS

An inability to meet demand for financial support may result an increase in acquisitive crime.

Helping to keep residents in their own homes, keeping families together, supporting the vulnerable or the elderly in the local community and assisting citizens through personal and difficult events all contribute towards improving community safety.

7.5 HUMAN RIGHTS ACT

The Bradford Council DHP scheme complies with both the legislation and the Department for Work and Pensions best practice guide which has not raised any significant Human Rights implications.

7.6 TRADE UNION

Any reductions in staffing levels as a result of any potential changes to either scheme will be consulted upon in the normal way;

7.7 WARD IMPLICATIONS

Not applicable

**7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS
(for reports to Area Committees only)**

Not applicable

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

None

10. RECOMMENDATIONS

That the Committee;

- Note the contents of this report and the work that has taken place on both Discretionary Housing Payments and Local Welfare Support
- Consider the ideas outlined in 4.3 above and provide any feedback for consideration by the Executive.

11. APPENDICES

None

12. BACKGROUND DOCUMENTS

None