

Discretionary Housing Payments: good practice briefing

February 2019

Introduction

This briefing outlines some lessons for effective use of Discretionary Housing Payments (DHPs). It is based on conversations with four Welsh local authorities that have achieved particularly good results with DHPs in recent years – ensuring that all the money is allocated to people in housing need, topping up the DHP pot with additional funds, and preventing homelessness for the most households.

What are Discretionary Housing Payments?

DHPs are an important source of financial help for people struggling with their rent. The money is given to Welsh councils every year by the UK Government. It's up to councils to give the money out to people who need it.

But if the money isn't all spent by the end of March, the UK Government takes it back – and gives Wales less the following year.

DHPs are meant to help people who cannot afford the cost of their rent. Your council may award you a DHP payment if, for example, you are affected by the bedroom tax or benefits cap.

For thousands of people in Wales, DHPs are all that stand between them and homelessness.

For the last three years Shelter Cymru's Waste Not Want Not campaign has encouraged Welsh local authorities to spend the full DHP pot. Last year only three authorities failed to spend their full allocation, returning a total of £77,000 to Westminster. This was 23% less than the sum returned the previous year and a massive 73% less than the year before that, when the Waste Not Want Not campaign began.

Valuing DHPs

All four local authorities talked about how highly they valued DHPs as a source of financial assistance. They are a crucial tool in preventing homelessness, as they

typically cover all or part of the shortfall between the person's rent and the amount they receive through Housing Benefit (HB) or Universal Credit (UC) with housing costs.

'If we didn't grant some awards, people would be losing their homes'

'You can't put a price on it. We wouldn't be able to function as a local authority in a lot of our statutory duties if we didn't have Discretionary Housing Payments budget'

- Local authority stakeholders

Some key ingredients of good practice

Interpretation of good practice can vary from one authority to another due to the need to take local factors into account. Similarly, good practice can change as benefit rules alter or new ideas emerge. However, a number of good practice factors can be identified to increase the likelihood of providing a high quality DHP service.

Create a culture of compassion and empathy

Senior managers play a crucial part in creating a culture of compassion and empathy. Many staff already have this approach, but it needs to permeate the ethos of the whole team. This means remembering that behind every application there is a person, whose home and wellbeing may depend on the application's outcome.

Treat each person as an individual

'It's all about individualism. It's not about one size fits all'

- Local authority stakeholder

Each person should be treated as an individual with unique needs and circumstances. Each person's situation should be considered in full on its merits rather than on a set of rigid pre-defined criteria. Some basic eligibility criteria for DHP awards are stipulated by DWP, but apart from these each person's situation should be considered case by case. Local authorities' own DHP policies should allow for this kind of person-centred flexibility.

Enlist the support of councillors, senior managers and budget decision-makers to obtain DHP top-up funding

As a form of preventative spending, topping up the DHP pot is an effective way of reducing demand on other local authority services such as homelessness.

However, obtaining a top-up does require a concerted effort. It may involve preparing convincing business cases to demonstrate the preventative impact of a relatively small amount of top-up DHP funding. Using case examples to demonstrate the positive impact of DHPs can be very persuasive when trying to get councillors and senior managers on board.

'Without the members' support we wouldn't have the approach and policies we have'

- Local authority stakeholder

Set the top-up budget at the start of the year

Establishing the top-up budget at the start of the year makes planning expenditure much easier for DHP budget holders. It takes away uncertainty as to whether top-up funding will be available, while still enabling requests for further top-up funding to be made later in the year if required.

Promote DHPs widely

Key promotion techniques are:

- Ensuring and expecting that all HB staff have a good understanding of DHPs and that they proactively invite people to apply as a matter of course
- Including information on HB decision notifications when there is a shortfall
- Preparing leaflets and posters, and ensuring they are regularly restocked
- Proactively assisting vulnerable people to make applications by, for example, visiting them in their own homes
- Ensuring that all appropriate internal local authority departments and external organisations (e.g. housing associations, private sector landlords) are fully aware of DHPs
- Providing clear and accessible information on the authority's website and arranging to include information on the websites of partner housing and advice organisations.

Take a partnership approach

HB departments need to work in partnership with other departments and organisations to obtain quick, wide and effective take-up of DHPs. Typically, strong partnerships need to be forged between HB departments and housing and homelessness departments, housing associations, private landlords and third sector organisations. Partnership working involves communication to discuss individual cases, and quickly helping people who are having difficulty paying their full rent before large arrears accrue.

Tailor communication to suit individuals

Using people's preferred communication methods should result in a better and more helpful customer experience. Common forms of communication for DHP information and decisions include texts, emails and phone calls, as opposed to letters.

Limit the number of staff who authorise the award of DHPs

This enables a more consistent overview and approach to DHPs, while maintaining the discretionary element. This should ensure that decision-making is based on what best helps the person to improve their situation.

Have one named worker and contact details

Ideally the first member of staff who an applicant contacts regarding a DHP should continue working with the person throughout their claim. This should reduce the need for the applicant to repeat information, provide continuity and enhance access to the service.

Support applicants to find solutions

Local authorities are increasingly taking steps to make DHP awards part of a package of support to help people sustain their housing and improve their financial situation. In order to use the DHP budget widely, local authorities support people (or signpost people to support agencies and independent advice) to find solutions to their rent shortfalls. This may include employing support staff who specialise in helping people with digital advice or budgeting. Support may include helping people to arrange cheaper energy deals, manage debts and household budgets.

There is usually an expectation that, where possible, most people must actively make efforts to improve their financial situation (such as seeking work, reducing expenditure or moving to cheaper housing). However, good practice means understanding the stressful reality of living in severe financial hardship. People may not be able to improve their situation and reduce reliance on DHPs, due to a variety of reasons including physical and mental health issues, caring responsibilities, exclusions from the housing register, and of course the acute lack of affordable housing. A good service will keep these factors in mind when making decisions about repeat applications.

Although many DHP awards are short term, DWP guidance does allow awards to be made for 12 months or more. Awards can even be made in perpetuity, although this is very rare. Where an applicant is not in a position to improve their circumstances, longer award periods are beneficial to avoid unnecessary bureaucracy and reduce the risk of people failing to re-apply in good time.

'DHP is about the support, rather than just giving money'

- Local authority stakeholder

Review DHP budgets and expenditure on a monthly basis

Monitoring the DHP expenditure on a monthly basis helps to identify the amount that has been spent, the factors causing the greatest demand on DHPs, and any potential need for top-up funding.

Have a reviews procedure

Although DHPs are discretionary in nature, it is good practice to have a review procedure. Examples of good practice are to:

- Involve an officer other than the one who made the original decision
- Set out decisions in writing, clearly stating the reasons for a negative decision
- Ensure that applicants are informed how they can request an appeal, and how long the process will take.

Case example: A DHP award for a person who is under-occupying

Janet* is living in a two-bed housing association flat and because she has a spare

room, she has to pay an additional £14 per week towards her rent. As Janet receives Jobseekers Allowance at £73.10 per week, this is not affordable for her and she has run up around £500 of rent arrears which she is paying off at the rate of £3 per week. Janet can't downsize because she needs the second bedroom for her daughter, who is in care and returns home at weekends. Janet doesn't receive any benefits for her daughter.

When Janet applied for a DHP the local authority awarded her £10.50 per week, which is 75% of her rent shortfall. Janet felt that this was manageable for her. She is receiving help with budgeting from a support worker and is feeling optimistic that her daughter will be able to return home full time next year.

What do you think about this good practice guide?

Do you have any more good practice that you'd like us to know about? If so, get in touch with Jennie Bibbings, Campaigns Manager at jennieb@sheltercymru.org.uk