

EqIA –Discretionary Housing payment (DHP) Scheme

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1. Management of the EqIA

This document will be owned by Fiona Darby (Head of Housing needs). It will be reviewed, and progress against any identified actions monitored, by the Housing Needs Management Team on a quarterly basis, together with the Newham council tax and benefit service.

2. Identification of policy aims, objectives and purpose

The EQIA is being updated to reflect amendments to the Discretionary Financial Assistance Regulations which ensure the scheme covers the period from April 2015. It is linked to some of the key welfare reforms, including:

- Introduction of benefit cap; especially from August 2013 in Newham
- Introduction of size criteria in social rented sector; “bedroom tax”
- reductions in local housing allowance paid to private tenants
- Universal Credit

In effect the government introduced from April 2013 a form of transitional protection for people subject to the welfare reform changes called Discretionary Housing Payments (DHP).

-Background

Discretionary Housing Payments are payments made from a ring-fenced budget which provides financial assistance for residents who are entitled to Housing Benefit or Universal Credit, have a rental liability, and require further financial assistance, where the Council is responsible for the administration of Housing Benefit.

Central Government welfare reforms introduced in April 2013 have had a significant impact on the benefits received by Newham residents. In recognition of the hardship that this programme of reforms was likely to cause, the Government increased Discretionary Housing Payments (DHP) nationwide from £60m in 2012/13 to £165m in 2013/14, reducing to £135m in 2014/15.

The DHP allocation made to the London Borough of Newham by the Government fell in 2014/15 to £1,973,963, but pressures on the budget, including from a full year of

implementation of the Benefit Cap, were higher. As a result, decisions were made, effective as of September 2014, to make the policy sustainable within the resources available. Spend on the DHP budget up to 10th February 2015 was **£1,830,028**.

The Newham DHP allocation by central Government for 2015/16 is £1,214,264, a reduction of £759,699 on the previous year. However, the 2014/15 policy will have a continued effect of reducing pressure on this budget in 2015/16, primarily as a result of the Council providing short-term awards in most benefit cap cases in order to give the applicant time to resolve their immediate financial problems, but not long-term awards (apart from in exceptional cases, including those identified in the policy and DWP guidance).

In addition, provision was made for bedroom taxed households which did not fall under vulnerability criteria to be supported through a separate, non-DHP HRA Discretionary Payments (HRADP) fund, reducing pressure on DHP. That scheme has made £16,983 in awards, with 58 tenants receiving an award and 15 seeing applications refused, against an identified budget of £170,000 for 2014/15.

The process of reviewing this year's policy has identified a few areas where the policy could be clarified or altered in order to improve outcomes for residents, and to remain within the allocated DHP budget:

1. Change the current DHP policy to extend the suggested minimum duration for Bedroom Taxed households receiving DLA to a full year. At present the policy has a suggested award duration of six months for these households (discretion is available, as with all awards, to alter the duration based on individual circumstances). This report recommends extending that suggested period in order to support vulnerable households and to reduce the risk of disabled residents being evicted from secure accommodation.
2. This report recommends that we move funding from the HRA to DHP funds to cover all secure Council tenants, including vulnerable Bedroom Tax-affected tenants. This alters the position from 2014/15 where a transfer was authorised for Benefit Cap tenants only. This is estimated to represent an additional £120,000 shift from the HRA to the DHP budget, on top of the £120,000 amount allocated last year and is in line with guidance issued by the Department for Communities and Local Government that such a transfer would be legally permissible. The Council will need to apply to the DCLG for permission to make this transfer.
3. Otherwise, retain the current DHP policy as it stands.
4. Continue to make £170,000 available from HRA for the HRA Discretionary Payments fund.
5. Better publicise the HRADP fund. The fund has come in under the £170,000 budget that it was allocated, and more tenants who are affected by welfare reform could be supported as a result of this change.

This paper estimates that these changes should bring DHP spend to a total of £1,185,515, against a budget of £1,214,264. The changes from 14-15 are in summary:

1. Change the current DHP policy to extend the suggested minimum duration for Bedroom Taxed households receiving DLA to a full year.
2. Move funding from the HRA to DHP funds to cover all secure Council tenants, including vulnerable Bedroom Tax-affected tenants. Apply to the DCLG for permission to make this transfer.
3. Continue to make £170,000 available from HRA for the HRADP.
4. Better publicise the HRADP fund to secure Council tenants.

The appendix 1 here shows the Newham approach to capped households.

3. Scope / focus of the EqIA

This section looks at which groups we know are currently accessing the DHP scheme in Newham up to April 2015, by some protected characteristics and other factors.

Tenancy Type		
Tenancy	Number	Percentage
Local Authority (HRA)	491	27.87%
Local Authority (Non HRA)	289	16.40%
Private	982	55.73%
Other	0	
Total	1762	

The table above shows that DHP is used fairly evenly between public and private tenants. This is in contrast to mid 2013-14 when it was mainly used to support private tenants who have difficulties in relation to their Local Housing Allowance (LHA) limit. The shift to public sector tenants reflects the priority of the bedroom tax in 13-14. This will diminish over time as HRADP is now used to mitigate bedroom tax issues.

DHP also has a significant role in local authority non HRA cases and these are almost exclusively homeless temporary accommodation of one form or another. Rents are typically higher in this sector than the norm.

Gender	Number	Percentage
Female	1292	73.00%
Male	449	26.00%
Unknown	21	1.00%

The table above shows the gender split, and is likely to reflect that there a significant number of female headed lone parent families in Newham.

Number of Children	Number of Claims	Percentage
0	778	44.15%
1	183	10.39%
2	213	12.09%
3	302	17.14%
4	170	9.65%
5	85	4.82%
6	26	1.48%
7	4	0.23%
8	1	0.06%

The table above shows the distribution of DHP claims by the number of children in the household. There has been a significant increase in household with more children compared with mid 13-14 when there was a prevalence of smaller households which may reflect lone parent households.

Claimant Age	Numbers	Percentage
19 and under	1	0.1%
20-29	164	9%
30-39	432	25%
40-49	492	28%
50-59	511	29%
60-69	151	9%
70-79	8	0.5%
80+	3	0.2%

The table above shows the distribution of claimants by age band, with relatively few young people benefiting. This is partly to do with a shift to older families again linked to bedroom tax properties.

DLA claimants	Numbers	Percentage
Disabled	538	31%
Not disabled	1224	69%

Over 30% of DHP claiming households have a disabled household member with high needs. As described above there will be an expansion of the criteria this year in relation to DLA.

Prime driver for award of DHP	Total amount of awards
Bedroom tax	£495,619.31
Benefit cap	£1,140,148.96
Homeless bond scheme	£134.61
Disability	£6,271.83
Health	£7,754.88
Personal circumstances	£133,503.97
Potentially homeless	£0.00
Homeless temporary accommodation	£33,307.75
other	£4,024.98
Total	£1,820,766.29

The scheme has been dominated by the bedroom tax and the benefit cap, with smaller awards elsewhere. Note disability here is where the other drivers do not apply.

The criteria for awards of DHP has shifted in 2014-15 to allow for Newham to prioritise awards to those who it considers to be most in need. This has meant a prioritisation of benefit cap cases, particularly applicants who are homeless and in temporary accommodation. Applications from individuals affected by the Bedroom tax: Newham has set up a separate discretionary fund within the HRA to assist its HRA tenants who have been affected by the Bedroom Tax (HRADP).

Priority status will still attach to DLA cases in adapted council property to assist them with the bedroom tax; and to households with a pregnant woman or with a child who is 12 months away from their 10th or 16th birthday sharing a room. This acknowledges critical school years where homework/study is a priority.

Ethnic Group	Census 2011	%	DHP Count	%
All categories: Ethnic group	307,984	100%	2,387	100%
Total White ethnic group	89,216	29%	944	40%
White: English/Welsh/Scottish/Northern Irish/British	51,516	17%	800	34%
White: Irish	2,172	1%	19	1%
White: Gypsy or Irish Traveller	462	0%	2	0%
White: Other White	35,066	11%	123	5%
Total Mixed or Multiple ethnic group	13,945	5%	44	2%
Mixed/multiple ethnic group: White and Black Caribbean	3,957	1%	14	1%
Mixed/multiple ethnic group: White and Black African	3,319	1%	18	1%
Mixed/multiple ethnic group: White and Asian	2,677	1%	2	0%
Mixed/multiple ethnic group: Other Mixed	3,992	1%	10	0%
Total Asian ethnic group	133,895	43%	527	22%
Asian/Asian British: Indian	42,484	14%	76	3%
Asian/Asian British: Pakistani	30,307	10%	163	7%
Asian/Asian British: Bangladeshi	37,262	12%	195	8%
Asian/Asian British: Chinese	3,930	1%	10	0%
Asian/Asian British: Other Asian	19,912	6%	83	3%
Total Black ethnic group	60,256	20%	667	28%
Black/African/Caribbean/Black British: African	37,811	12%	395	17%
Black/African/Caribbean/Black British: Caribbean	15,050	5%	209	9%
Black/African/Caribbean/Black British: Other Black	7,395	2%	63	3%
Total Other ethnic group	10,672	3%	46	2%
Other ethnic group: Arab	3,523	1%		0%
Other ethnic group: Any other ethnic group	7,149	2%	46	2%
No response/Info declined/unknown			159	7%

This table shows the award of DHP awards compared with the Census distribution by ethnicity. There is a complex pattern. Bedroom tax is designed to affect older council tenants who are more likely to have surplus rooms. They are also more likely to be non BME households in Newham. Asian household are underrepresented in claimant, though poorer groups like Bangladeshis are less under-represented. It may also be the case for cultural reasons that Asian households are more likely to have their adult children remaining in the parental home thus avoiding bedroom tax. Black groups are over represented in DHP claims.

Based on analysis of this data, the impact on residents according to their protected characteristics is shown below.

Protected Characteristic	Assessment of relevance	Evidence (if Low)
Age	High	
Disability	High	
Transgender	No data available/ Low	There is no anecdotal or theoretical evidence suggesting that Transgender people are more likely to use DHP
Pregnancy and maternity	Medium	
Race	Medium	
Religion / belief	Medium	
Sexual orientation	No data available/ Low	There is no anecdotal or theoretical evidence suggesting that people's sexual orientations affect their use of DHP.
Sex	High	
Class or socio-economic disadvantage	High	

4. Relevant data, research and consultation

The key relevant data used in compiling the EqIA are statistics from the council's records on the existing DHP scheme; Office for National Statistics (ONS) data from the 2011 Census.

5. Assessment of Impact and outcomes

Protected characteristics	Issues taken from evidence	Judgement (positive / negative)	Recommendations/mitigations
Age	<p>Bedroom tax can have a negative impact of school age children needing to study. The scheme makes provision for them, giving some priority.</p> <p>Bedroom tax may have a negative impact on older public sector tenants.</p> <p>Vulnerable people under 35 affected by single room rent regulations – see Appendix 2</p> <p>Pensioner households are exempt from the bedroom tax.</p>	Negative	<p>Recommendation is to proceed with revised scheme.</p> <p>Monitor applications and awards by age.</p>
Disability	<p>Benefit cuts have a disproportionate effect on those not working, and disabled people are less likely to be economically active. The Newham scheme prioritises disabled people in certain circumstances.</p>	Negative	<p>Recommendation is to proceed with revised scheme.</p> <p>In 2015-16 the DHP policy will extend the suggested minimum duration for Bedroom Taxed households receiving DLA to a full</p>

Protected characteristics	Issues taken from evidence	Judgement (positive / negative)	Recommendations/mitigations
	Families with severely disabled children who cannot share a room are exempt from the bedroom tax.		<p>year. At present the policy has a suggested award duration of six months for these households.</p> <p>The Newham DHP scheme gives extra assistance to vulnerable single people e.g. mental health support needs.</p> <p>Monitor applications and awards by disability status/benefit receipt</p>
Pregnancy and Maternity	Pregnant mothers may be disproportionately affected by some welfare reform changes such as bedroom tax.	Negative	<p>Recommendation is to proceed with revised scheme.</p> <p>Households with a pregnant woman are given extra priority for help with bedroom tax for a fixed period</p> <p>Monitor applications and awards by pregnancy/maternity</p>
Race	In Newham people from minority ethnic groups are more likely to earn lower wages or be on benefits, and are therefore more likely to access	Negative	<p>Recommendation is to proceed with revised scheme.</p> <p>Monitor applications and awards by</p>

Protected characteristics	Issues taken from evidence	Judgement (positive / negative)	Recommendations/mitigations
	the DHP Fund (Census 2011). They also have a greater prevalence in homelessness. Bedroom tax is more likely to impact on older white households.		ethnicity. The Revs and bens computer system already has fields ready to receive this data.
Religion/belief	There is no national or local evidence on DHP applications according to religious belief.	Negative	Recommendation is to proceed with revised scheme.
Sex	Single parents are more likely to be awarded DHP and most single parents are female nationally and in Newham.	Negative	Recommendation is to proceed with revised scheme. Monitor applications and awards by Sex.
Class or socio-economic disadvantage	One of the priorities for assistance with DHP is: Occupants of Bed and Breakfast and Temporary Accommodation, who are subject to benefit cap. These households are amongst the hardest hit by welfare reforms.	Negative	Recommendation is to proceed with revised scheme. In exceptional circumstances a higher award may be agreed particularly for those in high cost temporary accommodation. DHP may be paid as a lump sum for the purposes of helping an applicant

Protected characteristics	Issues taken from evidence	Judgement (positive / negative)	Recommendations/mitigations
	<p>Priority is given to homeless households to whom the council owes a duty.</p> <p>See also appendix 2.</p>		<p>to establish their household in alternative affordable accommodation either in or out of the Borough, for paying for rent in advance, or a deposit as long as they are in receipt of Housing Benefit.</p>

Equality Impact Assessment Action Plan for Council Tax Support scheme						
Issues identified and groups affected	Actions to be taken	Timescales of actions	Who is responsible for delivery	Intended outcomes	Performance measures	Reference to service or other plans
Need for more comprehensive monitoring data though there is better data than when the last EQIA was done spring 2013.	Ensure that the IT system (Northgate revs and bens) provides data broken down by ethnicity for example	1/4/2015	Conor Loughran	Newham DHP monitoring data by protected characteristics	Comprehensive monitoring data outputs weekly/quarterly.	
Better publicise the discretionary fund within the HRA equivalent to DHP to	This funding is used to support residents who are affected by the Bedroom Tax in HRA.	From April 2015	Russell Thornton	Free up DHP resources for non council tenants	Awards from HRA fund to council HRA tenants	

Equality Impact Assessment Action Plan for Council Tax Support scheme						
Issues identified and groups affected	Actions to be taken	Timescales of actions	Who is responsible for delivery	Intended outcomes	Performance measures	Reference to service or other plans
be paid to council HRA tenants						
Reaching the widest range of potential beneficiaries	Implement time limits on awards (3months v 6 months see Appendix 1 for reasoning) – this may not apply to disabled households and will be considered on a case by case basis	From April 2015	Conor Loughran	Limited funds assist more households. Avoids creating dependence on DHP.	Measure duration of award	Resilience agenda

6. Formal agreement

- a. *Director of Housing John East*
- b. *Head of Strategy & Partnerships*

7. Publication of results

- a. *Date EqIA published on Council website (full or summary version) xx*

8. Monitoring and review

This EqIA will be monitored by the Council Tax & Benefits Service Social Fund sub-group on a quarterly basis.

Version control

V1	06.08.2014	First based on 2013 draft	\\bnfilr001\homes\$\PeterWilliams\2014-15_ EqIA_DHPv1.doc
V2	07.08.2014	Revised data from Conor	Added EO data
V3	08.08.2014	Legal comments and revised EO data	
V4	07.04.2015	Revised data for 14-15 yr end.	
V5	14.04.2015	Revised policy from AB	

DHP for Benefit Capped households

PPR Team

April 2015

Summary

Supporting Benefit Capped households for 6 months rather than 3 could enable 33 families per year to remain in their homes without arrears, as well as providing an additional period of relief for more households, at a cost of around £250k per year. This would exceed the current DHP budget estimates and therefore may require a growth bid.

As a rough estimate, if all of these households were instead accepted as homeless, they might cost £197k.

Current DHP policy

Work between the Policy Team, Housing, and Council Tax and Benefits has proposed a small number of changes to the DHP policy for 2015/16:

1. Change the current DHP policy to extend the suggested minimum duration for Bedroom Taxed households receiving DLA to a full year from the current 6 months to protect vulnerable households
2. This report recommends that we move funding from the HRA to DHP funds to cover all secure Council tenants, including vulnerable Bedroom Tax-affected tenants. This is estimated to represent an additional £120,000 shift from the HRA to the DHP budget.
3. Continue to make £170,000 available from HRA for the HRA Discretionary Payments fund.

Benefit Capped households

The current policy provides for short-term awards of DHP to be made to benefit capped households in order to give the applicant time to resolve their immediate financial problems. The standard period recommended in the policy, although subject to discretion, is 3 months. This policy was more stringently implemented in line with the restricted budget from October 2014 onwards

This paper looks at the impact this may be having, and the effect of a longer period.

Firstly, we can look at arrears amongst capped Council tenants since the shorter period was introduced. Figures on rental arrears show that when the Council implemented a policy of short-term awards for this group, the proportion of residents in rental arrears rose by 16% with a rise of £37 per month in average arrears for the 45 capped households. This is less than the loss of DHP that they have experienced, but still early days for these tenants in terms of having a shorter award.

Secondly, we can look at the rate of off-flow from under the cap to get an idea of how long it takes households to find solutions to cap. Council Tax and Benefits team figures show that 431 people have moved out from under the cap since it was introduced. A further 743 have been capped at some point, of which 419 remain currently capped (so there are 324 households who are no longer capped but our systems don't show when they stopped being affected by the policy).

Table 1 below shows the number and proportion of households who we know have left the cap, split according to three tranches: the first households to be capped, and then the two 5-month periods thereafter. Each of these tranches has been capped for at least 6 months of the data used in this report. .

Table 1: Duration capped by cohort

Date capped	Number capped	Number no longer capped after...						
		1 month	2 months	3 months	4 months	5 months	6 months	12 months
19/08/2013 -	592	10.5%	17.6%	20.3%	23.6%	26.0%	28.9%	40.5%

17/10/2013 (first tranche)		62	104	120	140	154	171	240
18/10/2013 - 16/03/2014	244	6.6%	11.5%	16.4%	20.5%	23.8%	26.6%	35.2%
		16	28	40	50	58	65	86
16/03/14 - 13/08/2014	172	9.9%	17.4%	23.3%	24.4%	27.3%	27.9%	N/A
		17	30	40	42	47	48	N/A

This shows that overall, households capped after the first tranche aren't spending longer or shorter times under the cap than the first tranche. The most recently capped households – the third tranche - seem to have a smaller difference between 3 and 6 months than those capped from October 2013 to March 2015.

Averaged out, about a third more households escape the cap between 3 and 6 months. As the rate of newly capped households has slowed, this is likely to represent around 33 more households per year able to find a solution without facing the threat of losing their home, if offered DHP for these additional months.

Costs

We estimate that increasing the period of support to 6 months over all tenures is likely to cost an additional £215k in General Fund pressure, plus a £35k HRA pressure if payments to Council tenants are funded through a transfer. This would exceed the current DHP budget based on our present estimates, and amounts to £7,575 for each of the 33 households described above that is supported.

Possible savings

Weighed against this cost is the possible savings from enabling these households to remain in their homes. It is reasonable to assume that a high proportion of those 33 households would end up presenting as homeless to the Council, and are likely to be accepted.

We are forecast to spend £8.5m net on homelessness in 2014/15. A rough calculation suggests that up to £5.8m of this could be attributed to the 970 households we accept as homeless each year. So each acceptance might cost £5,977 on this basis. That means that the whole group of 33 supported by DHP might cost £197k if they presented as homeless.

These figures suggest that an extension from 3 to 6 months' awards might have a net cost of £1,599 per household, or £52k overall.

The table below shows some further considerations in favour and against a further extension.

In favour of extension	Against extension
Benefit cap cases are likely to be larger households and therefore higher cost than the average	Some costs of homelessness will be fixed for the council, so this may not represent the real saving amount
These are only some costs of homelessness – excludes wider costs (inc. to the council) and human costs	Not all households who would find a solution in the 3m-6m period would definitely be evicted/present as homeless. Some would find the money; some would build arrears but not be evicted; some would not use Council services (this could be negative in terms of their welfare)
The additional grace period may support some families who find a solution after 6 months by reducing their overall arrears and therefore the likelihood of eviction proceedings/costs to the council.	

In addition to the households who find a sustainable solution, a further 3 month period of DHP would provide temporary respite, although not a sustainable outcome, for the other 303 households capped per year that do not move off before 6 months.

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