

Business Support Overview and Scrutiny Committee

BRIEFING NOTE – No. 5/18

Date: December 2018

Briefing paper to: All Members of the Business Support Overview & Scrutiny Committee

Purpose: At the meeting of the Committee held on 25 October 2018, Members asked for a briefing note on Discretionary Housing Payments, in particular for information on the 50% of claims which had been refused; whether there were any trends in terms of groups affected; for a comparison with the same period last year and an assurance applications were not being refused due to a lack of funds.

DISCRETIONARY HOUSING PAYMENTS

A discretionary housing payment (DHP) may be awarded if we consider that a claimant requires further financial assistance towards housing costs and is entitled to either housing benefit or universal credit (with housing costs for rent).

The DHP scheme is set out in the Discretionary Financial Assistance Regulations 2001. The regulations give Medway Council a fair amount of discretion, each case must be decided on its own merits and we must ensure we have consistent decision making.

In order to achieve this we do a number of things to ensure consistency. We have a DHP policy which sets out how we will make decisions. The policy also sets out the procedure for the dispute of a decision. There is no formal appeal route for DHPs unlike the decisions made in respect of housing benefit and council tax reduction. The internal appeal route is set out in the policy with the Chief Finance Officer having the final decision. If the customer still feels that we have not made the right decision, their recourse is judicial review.

Secondly to ensure that decisions are consistent, we use a standard application form to evaluate the application.

Payments

DHPs are paid in two different ways, they can be paid as one off payments and as ongoing payments. One off payments are paid in a lump sum and are generally used to pay rent arrears, rent deposits or rent in advance. Ongoing payments are generally used to cover a weekly shortfall. The shortfall could be

caused by a welfare reform such as the benefit cap or social sector size criteria conversely, it can be that the customer is simply experiencing hardship.

Refusals 2017 to 2018

Overall in the period from 1 April 2018 to 30 October 2018 we have refused 398 applications. This is an increase from 294 for the same period in 2017.

	2017	2018
One off refusals	44	146
Ongoing refusals	250	252
Total refusals	294	398

The increase can be attributed mainly to the increase in refusals of one off lump sum amounts.

When we refuse a payment we categorise the reason for the refusal as follows:

- Claim** - the housing benefit claim has been able to be reassessed to grant higher entitlement
- Econ** - the customer can afford their rent however, they need to make economies to their spending
- Excess** - the customer has declared excess income on their application form
- Info** - the customer has failed to provide the information we need to make a decision
- Noben** - the customer is not entitled to either housing benefit or universal credit
- Noshort** - the customer doesn't have a shortfall between their rent and benefit payments
- Prop** - the property the customer is in is too large or expensive.

As previously stated, there has been an increase in refusals of one off payments.

2017		2018		Difference
CLAIM	7	CLAIM	21	14
ECON	3	ECON	4	1
EXCESS	15	EXCESS	34	19
INFO	11	INFO	47	36
NOBEN	5	NOBEN	23	18
NOSHORT	2	NOSHORT	4	2
PROP	1	PROP	13	12
	44		146	

As you can see, the main reason for refusal is that the customer fails to provide the information needed for us to make a decision. This is followed by people who have excess income over their expenditure. The third highest reason is that people apply who have no entitlement to housing benefit or universal credit for housing costs.

Members can be assured that as of 23 November we have paid £301,461 with a further £22,023 committed to be paid. This leaves £402,927 left in the fund with 4 months to go.

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