

3 Discretionary Housing Payments

3.1 Introduction and summary

The regulations covering Discretionary Housing Payments (DHPs) are the Discretionary Financial Assistance Regulations 2001. DHPs provide customers with further assistance when a LA considers help with housing costs is needed. The regulations specify what can be considered and what is excluded. Decisions on how to administer the DHP arrangements is the responsibility of the LA. The changes to the LHA arrangements are expected to lead to an increase in demand for DHPs and the Government has increased its funding to LAs in anticipation of a greater demand on their budgets. This first section of questions aimed to get the views on how LAs felt the announced changes would affect awards and administration of DHPs in the future.

The most frequent situation where a DHP was currently awarded was where the rent can not be met in full either due to LHA rate or the Rent Officers determination (95 per cent). DHPs were also frequently awarded where family circumstances meant that they could not meet the rent commitment (91 per cent).

When asked who currently made decisions about allocations of DHPs, 26 per cent said the Benefits Manager did so. Seventy seven per cent of LAs said it was the decision of other benefits officers including Senior Benefits officers. When it came to dealing with disputes about DHPs, 70 per cent said the Benefits Manager/Officer did this, but approximately a 19 per cent said it was handled by an Appeals officer, or committee, and five per cent by a review board.

When asked what the average cost of a DHP award was, the range provided by LAs was immense. While it was clear that there were a good many small awards (39 per cent of LAs said the average cost of a DHP award was under £99), there were also some considerably higher figures given by LAs as averages for DHP awards. The mean calculated from all the averages for the DHP awards within LAs was £625 despite only 11 per cent of LAs giving averages of £500 or more.

Regards the average length of a DHP award, LAs responded with a wide range of lengths of time, but the majority were for less than six months. When asked about the percentage of applications for DHPs that were refused the overall mean of the percentages provided by LAs was calculated to be 36 per cent.

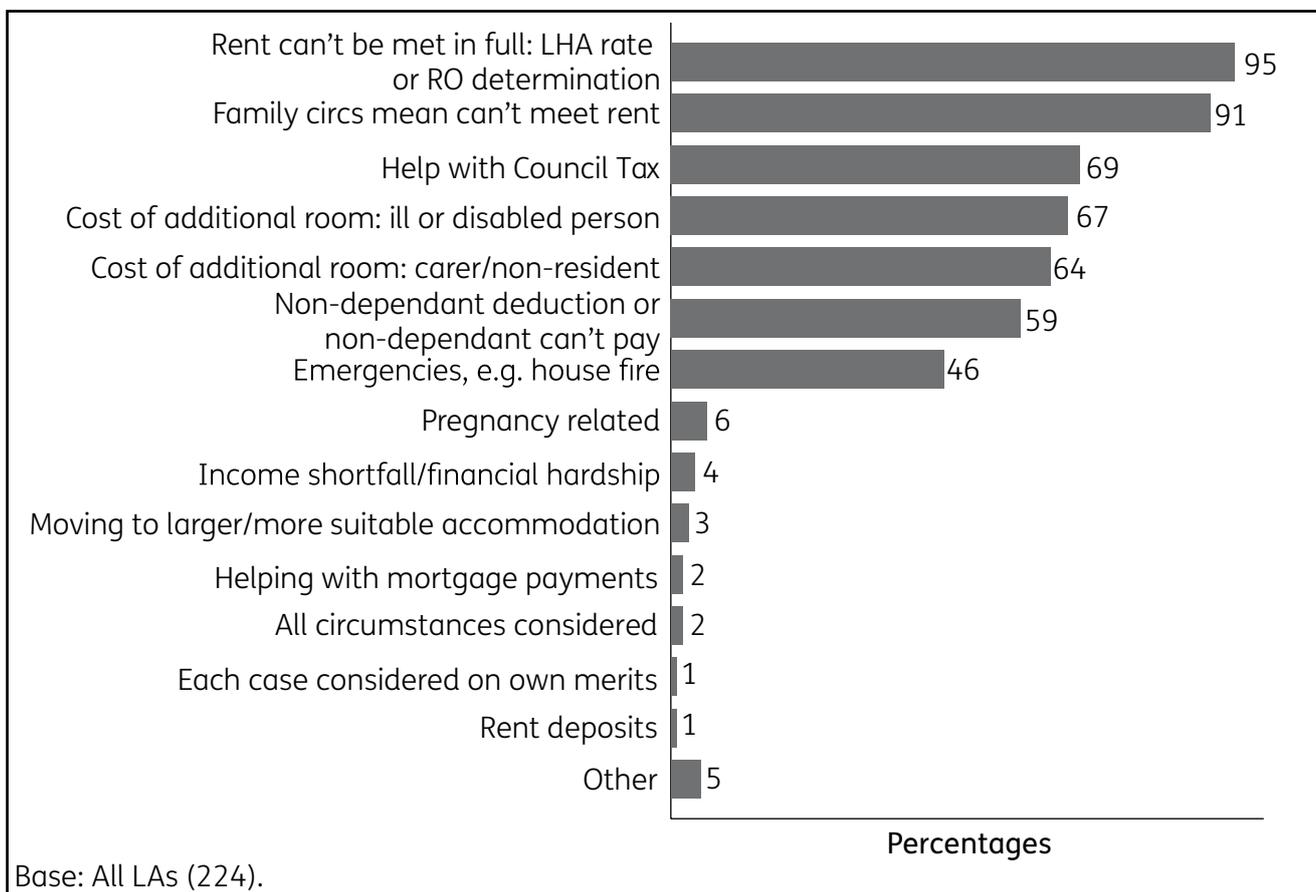
Seventy seven per cent of LAs in total said they were making preparations for the likely increased demands on DHP budgets in 2011/12. When the group of LAs that said they were making preparations were asked to specify what those activities entailed, 85 per cent said they were reviewing internal procedures, 71 per cent were taking steps to predict likely demand.

Sixty one per cent of LAs said the June 2010 budget will affect decisions about DHP allocations. Of the group who said decisions will be affected, 69 per cent said that they will make shorter awards in the future, 52 per cent said they will be more likely to spend beyond the government contribution, and 30 per cent said they will make more awards to help with deposits and rent in advance.

3.2 Main findings

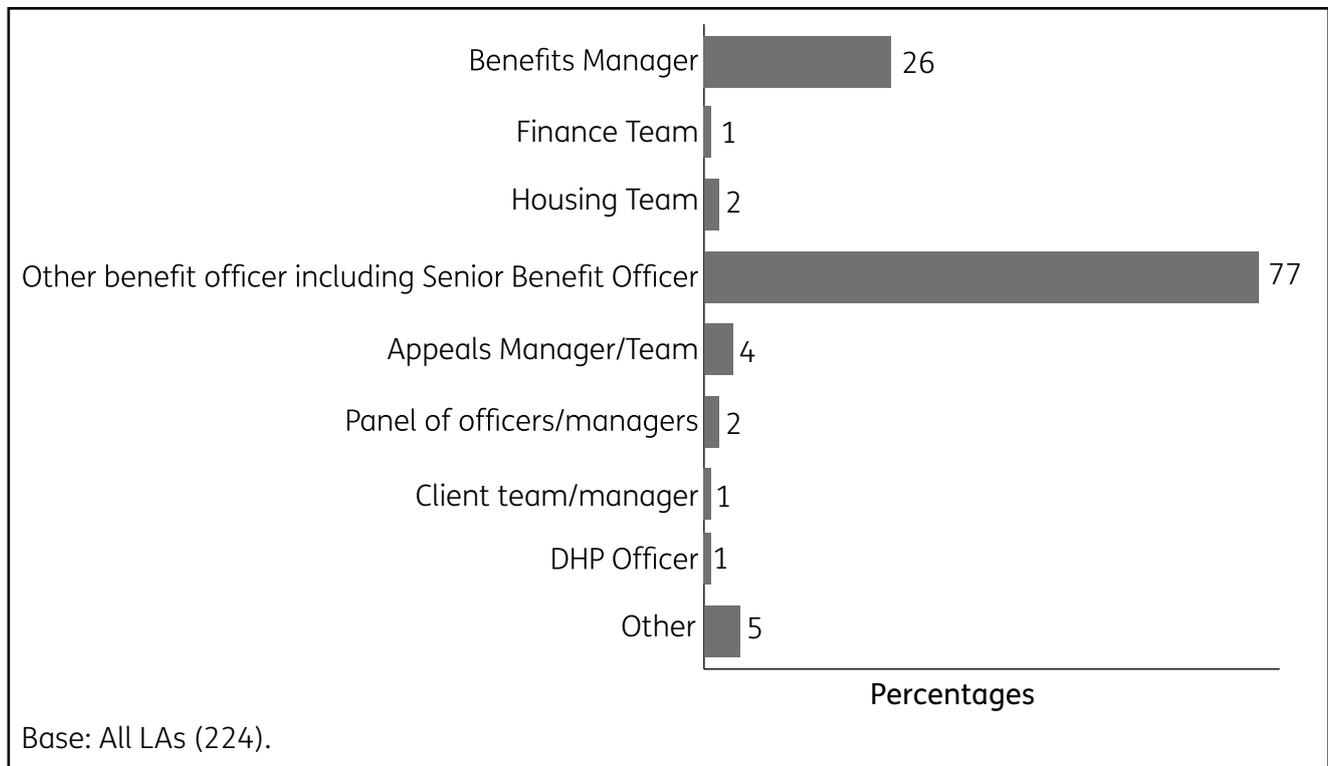
The following details the main findings and includes charts for all questions plus commentary highlighting the key sub-group differences.

Figure 3.1 In what situations does your LA currently award a DHP?



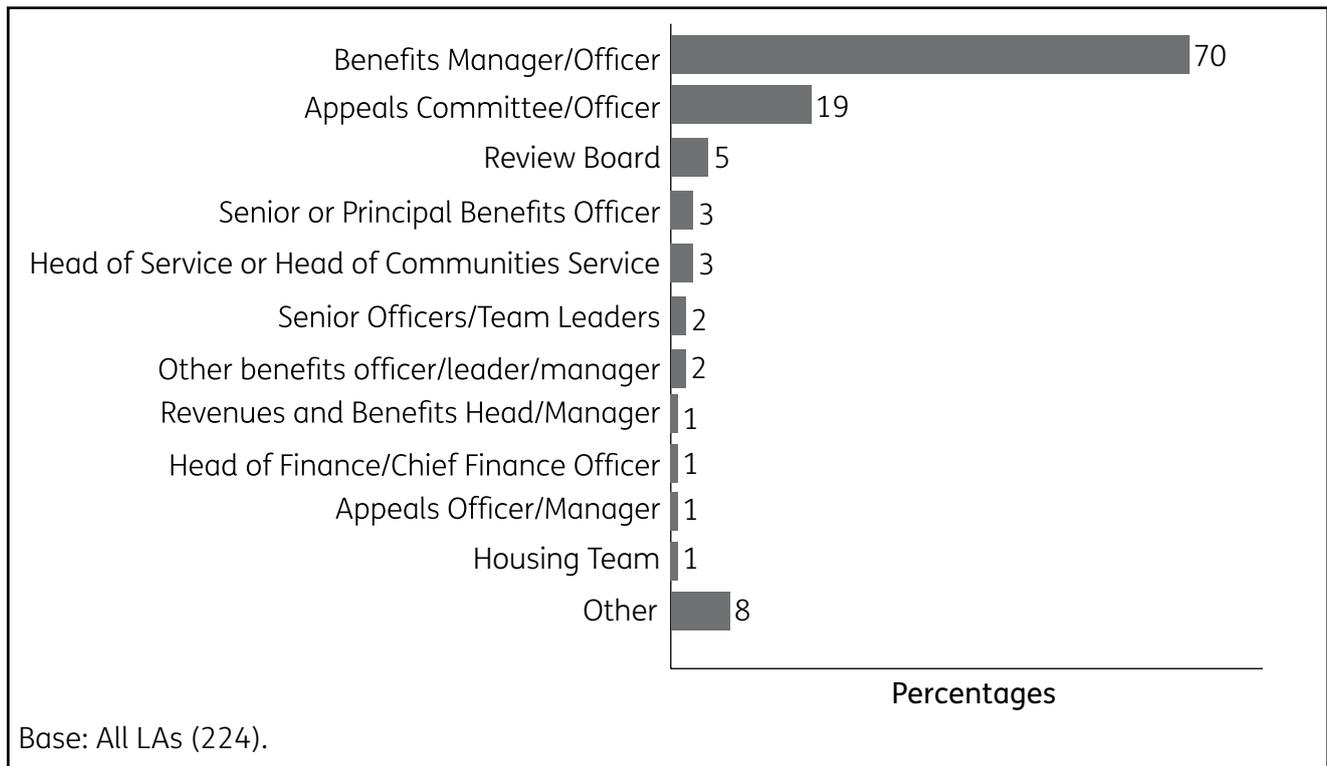
The most frequent situation where a DHP was currently awarded was where the rent could not be met in full either due to LHA rate or the Rent Officers determination (95 per cent). This was significantly higher within English District authorities (98 per cent), compared to London Boroughs (85 per cent) and Scottish authorities (90 per cent). DHPs were also frequently awarded where family circumstances meant that they could not meet the rent commitment (91 per cent). A variety of other reasons were also mentioned including help with Council Tax (69 per cent) and help with the cost of additional rooms for either an ill or disabled person (67 per cent) or for a carer or other non-resident (67 per cent and 64 per cent respectively).

Figure 3.2 In your authority, who currently makes the decision about when to allocate a DHP?



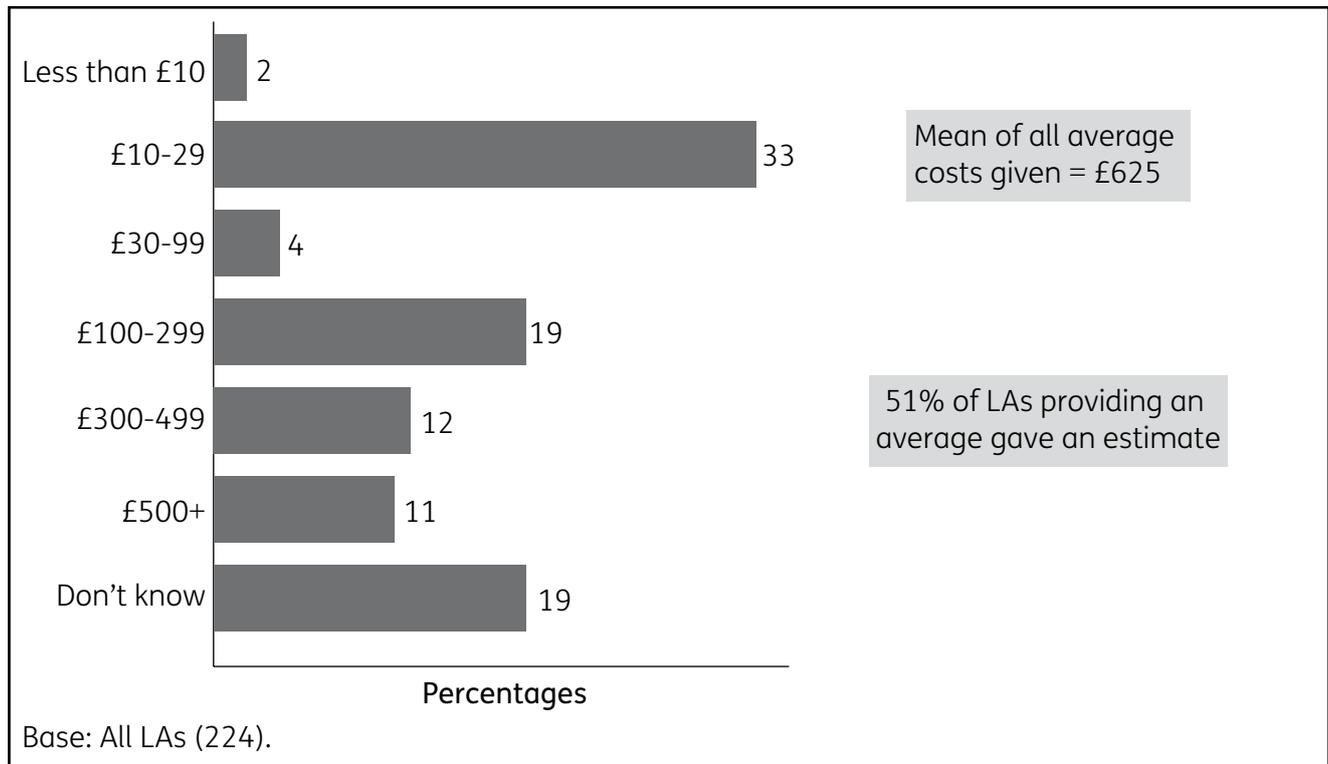
When asked who currently made decisions about allocations of DHPs, 26 per cent said the Benefits Manager did so. There appears to be a greater likelihood for the decision about whether to allocate a DHP to be made by the Benefits Manager in LAs with a low or medium caseload (36 per cent and 25 per cent respectively), compared to LAs with a high caseload, where just 13 per cent said the Benefits Manager made the decision. Three quarters of LAs (77 per cent) said allocation of a DHP was the decision of other benefits officers including Senior Benefits officers.

Figure 3.3 In your authority, who deals with disputes about a decision on a DHP?



When it came to dealing with disputes, seven in ten (70 per cent) said the Benefits Manager/Officer did this, but this was recorded at a significantly higher level amongst LAs that were not contracted out compared to those that were contracted out (74 per cent and 41 per cent respectively). However, within LAs with a high caseload Benefits Officers/Managers were significantly less likely to have a Benefits Officer/Manager dealing with disputes (57 per cent in LAs with high caseloads), compared to LAs with low or medium caseloads (71 per cent and 80 per cent respectively).

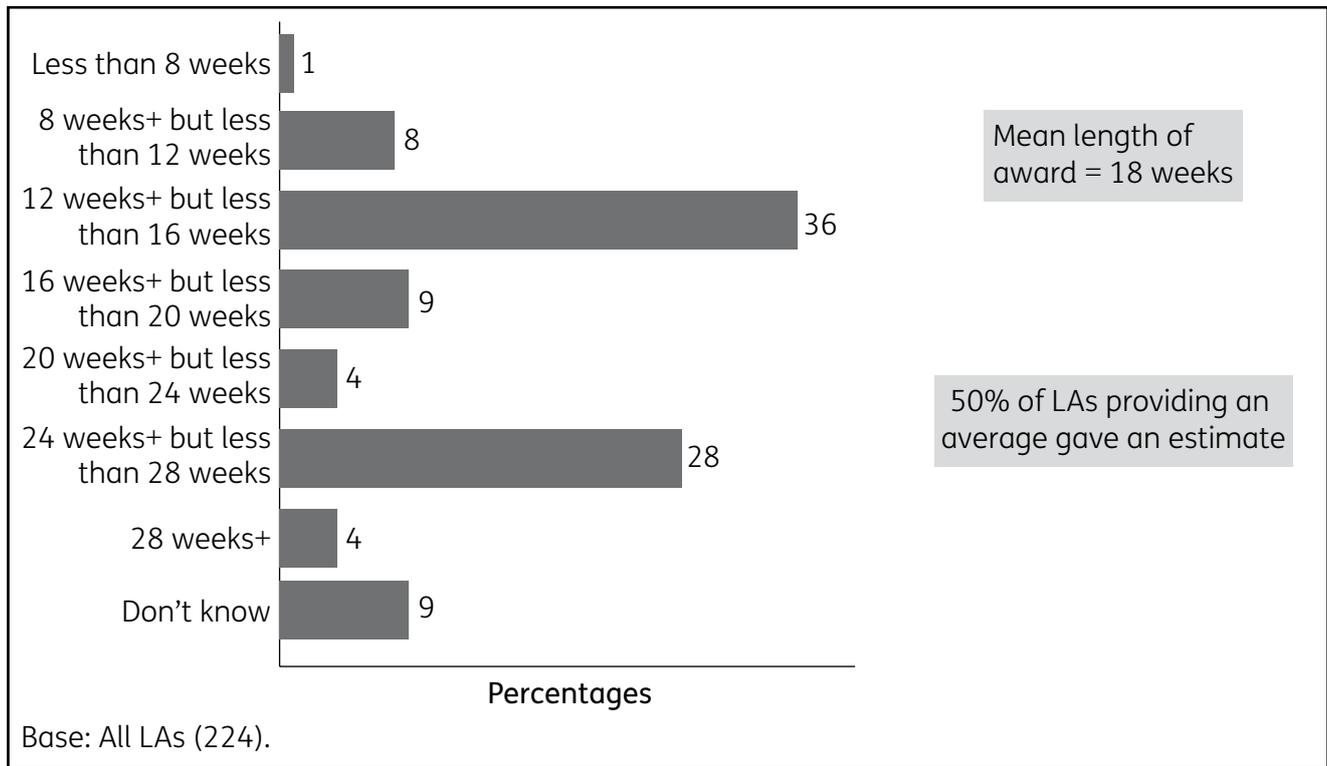
A fifth or so (19 per cent) said disputes over DHPs were handled by an Appeals officer or committee and five per cent said it was done by a review board.

Figure 3.4 What is the value of an average DHP award in your authority?

When asked what the average cost of a DHP award was, the range provided by LAs was immense. While it was clear that there were a good many small awards (39 per cent of LAs said the average cost of a DHP award was under £99), there were also some considerably higher figures given by LAs as averages for DHP awards. The mean calculated from all the averages for the DHP awards within LAs was £625 despite only 11 per cent of LAs giving averages of £500 or more. It should be noted however that 51 per cent of LAs that gave an response here gave an estimated answer to this question.

In terms of significant differences between local authority types, Welsh LAs and London Boroughs were more likely to state that their average DHP award was £500 or more than the other types of authorities. Forty per cent of London Boroughs and 18 per cent of Welsh authorities said that their average DHP award was higher than £500 compared to, for example, just three per cent of English Unitary authorities and four per cent of English Metropolitan authorities.

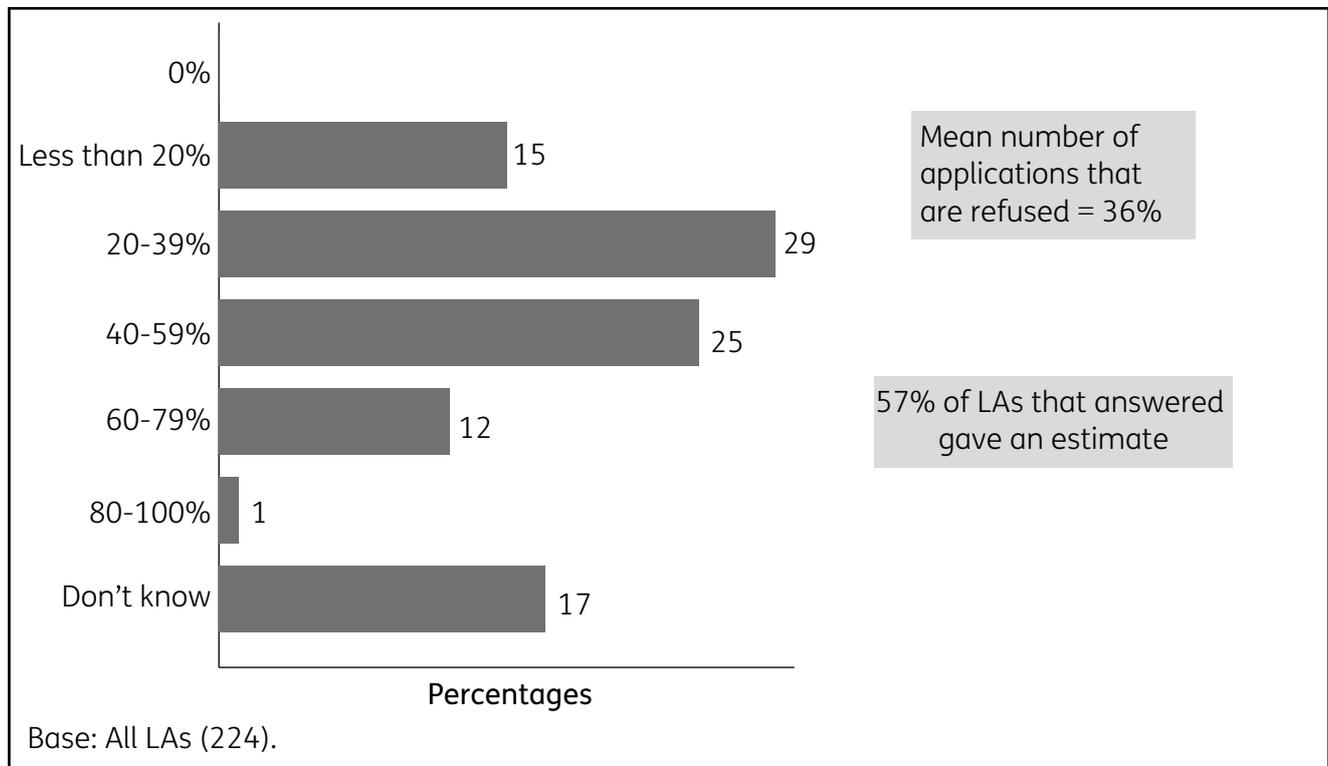
Figure 3.5 What is the length of an average DHP award in your authority?



When asked about the average length of a DHP award, LAs responded with a large range of lengths of time, but the majority were for less than six months. The mean of all the average lengths of awards given was 18 weeks but this rose significantly to 22 weeks within London and Wales and 21 weeks in Scotland in contrast to 16 weeks within the West Midlands.

It is worth noting that half (50 per cent) of LAs gave an estimated response as an answer at this question.

Figure 3.6 Thinking about the applications for DHPs that your LA receives, what percentage of them are refused?



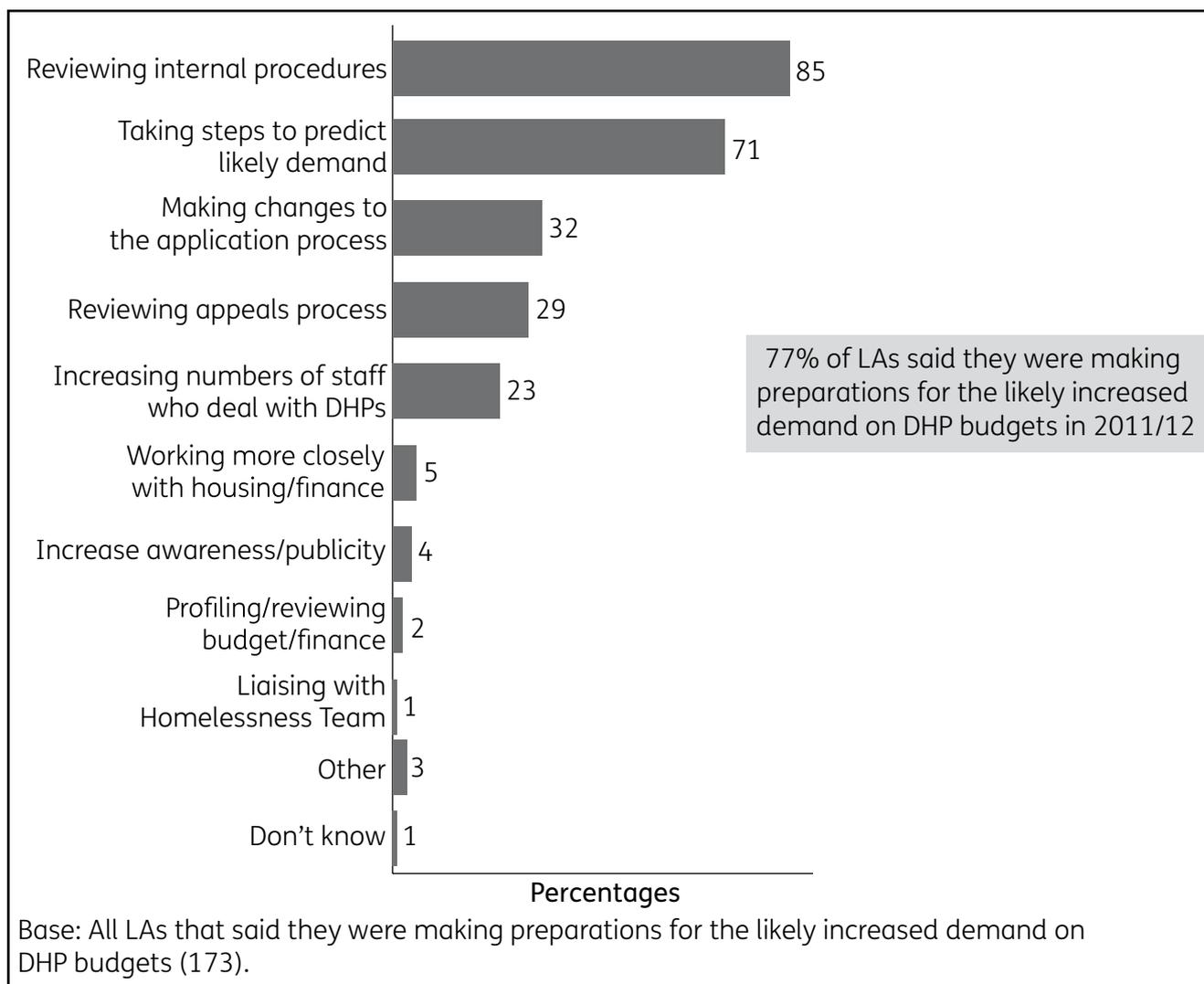
When asked about the percentage of applications for DHPs that were refused the overall mean of the percentages provided by LAs was calculated to be 36 per cent but almost three in five (57 per cent) of LAs that gave an answer said that the figure they had given was an estimate.

There appeared to be a greater likelihood of higher percentages of DHPs being refused in LAs with a high caseload compared to those with a low or medium caseload (overall mean in high caseload LAs of 45 per cent compared to 31 per cent and 35 per cent for low and medium caseload LAs respectively). The types of authorities with the highest recorded means for percentages of DHPs refused were London Boroughs (49 per cent), English Metropolitan authorities (42 per cent) and, to a lesser but still significant degree, English Districts (36 per cent) compared to, for example, 25 per cent for Scottish authorities.

It is also worth noting that the mean percentage of refused DHP applications was significantly higher among LAs that had contracted out (43 per cent) compared to those that had not contracted out (35 per cent).

Figure 3.7 Is your LA making any preparations for the likely increased demand on your DHP budgets in light of the changes to Housing Benefit announced in the June 2010 Budget that will take effect in 2011/12?

How is your LA making preparations for the likely increased demand on your DHP budgets in 2011/12 in light of the changes announced in the June 2010 Budget?

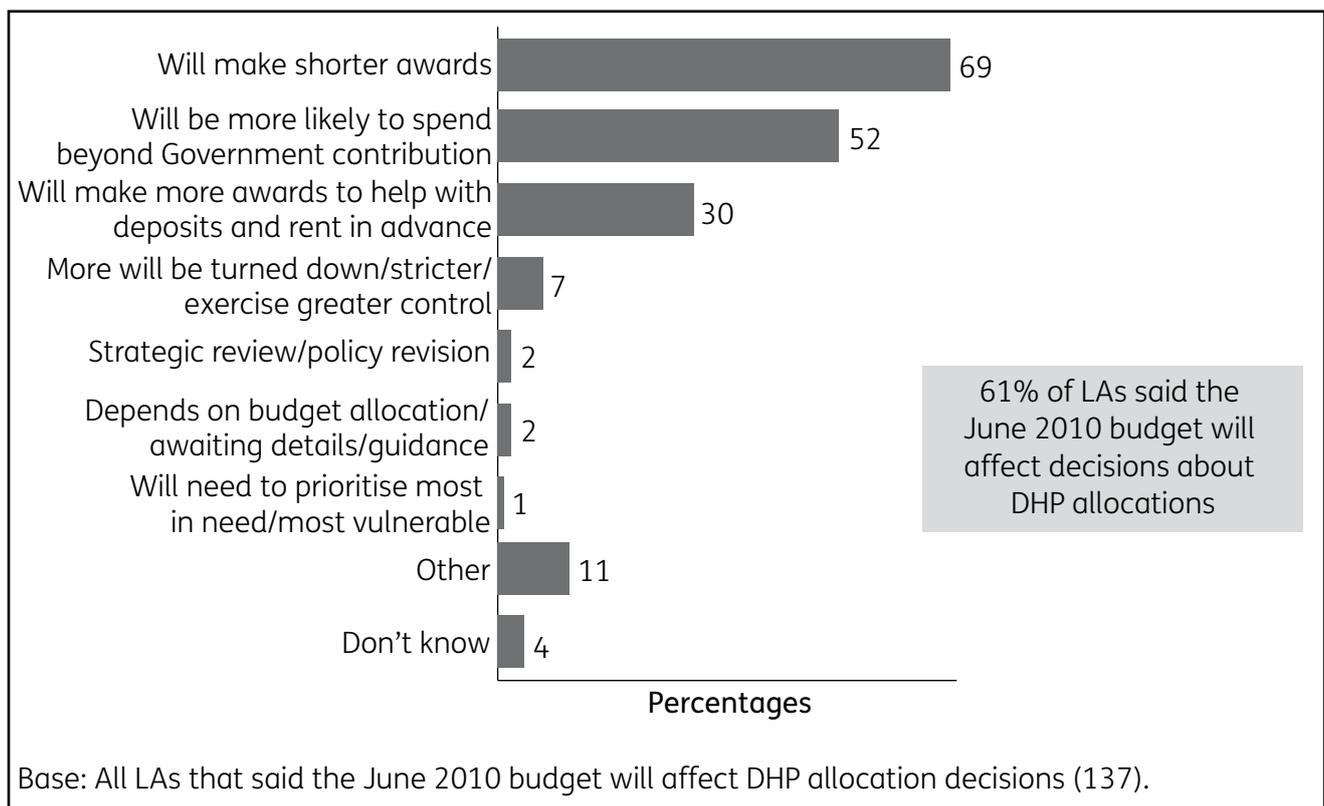


Just over three quarters (77 per cent) of LAs in total said they were making preparations for the likely increased demands on DHP budgets in 2011/12. However amongst Scottish authorities just three in five (60 per cent) said they were making preparations compared to, for example 100 per cent of Welsh authorities, 85 per cent of both English Metropolitan authorities and London Boroughs and 84 per cent of English Unitary authorities.

When the group of LAs that said they were making preparations were asked to specify what those activities entailed, 85 per cent said they were reviewing internal procedures, and 71 per cent were taking steps to predict likely demand. It is interesting to note that London Boroughs and English Metropolitan authorities were more likely to have said that they were taking steps to predict likely demand (100 per cent and 82 per cent respectively) than were, for example, English Unitary authorities (56 per cent).

Figure 3.8 Do you think the 2011/12 changes announced in the June 2010 Budget will affect how your LA makes decisions to allocate DHPs?

In what ways do you think the 2011/12 changes announced in the June 2010 Budget will affect the way in which your LA awards DHPs in the future?



Approximately three in five (61 per cent) said the June 2010 budget will affect decisions about DHP allocations. Within London Boroughs this figure rose to three quarters (75 per cent), which contrasts with a low figure of 46 per cent among English Metropolitan authorities.

Approximately seven in ten (69 per cent) of the group of LAs that said the June 2010 budget will affect their LA's DHP allocation decisions in the future, said that they will make shorter awards in the future. Scottish authorities (83 per cent) and English Unitary authorities (77 per cent) were significantly more likely to have said that they expect to make shorter awards in the future than were their counterparts in London Boroughs (47 per cent).

Approximately half (52 per cent) said they will be more likely to spend beyond the government contribution, 30 per cent said they will make more awards to help with deposits and rent in advance.