



**Zacchaeus 2000**

**Response to the  
Department for Work & Pensions' consultation on the  
Discretionary Housing Payment  
Guidance Manual**

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## Introduction

1. Zacchaeus 2000 Trust (Z2K) is a London-wide anti-poverty charity that promotes the improvement of living conditions on the basis of economic and social justice through the provision of evidence-based policy alternatives to government, and by direct engagement with the lives of the poorest and most vulnerable.
2. In response to the recent changes to Local Housing Allowance, Z2K has set up NextDoor; a dedicated project working to raise awareness of the impact of welfare reform on the Private Rented Sector (PRS) in London, and acting to mitigate the worst effects of these changes for low income households. NextDoor currently offers a range of services, including:
  - A specialist Housing Benefit Cuts Helpline;
  - A specialist casework and advice service aimed at households threatened with homelessness as a result of cuts to their housing benefit;
  - Training sessions on the changes to housing benefit and welfare reform, including Universal Credit and the Benefit Cap;
  - Access to information packs and materials;
  - Conferences aimed at professionals and policy makers engaged with welfare reform and housing; and,
  - A Private Rented Sector Access Scheme, which aims to help those moving within the private rented sector to access sustainable tenancies with reputable landlords.
3. Since going live on the 16<sup>th</sup> of January 2012, the NextDoor advice and casework service has provided advice and support to over 210 households and is currently accepting referrals from a range of statutory and voluntary sector support services, including: social services; children's services; environmental health; Westminster and Kensington & Chelsea's Community Mental Health Teams; local schools; and support services for parents of children with learning disabilities. As most of our referrals come from support services, our clients represent a variety of needs, ranging from language barriers to debilitating illnesses.
4. Z2K also provide a generalist advice and casework service offering in-depth and longer term support for people struggling on low incomes. This service primarily focuses on those facing debt as a result of: over and under-payments of benefits; benefit sanctions; unmanageable debt repayment arrangements; bailiffs; utility bills; Council Tax liabilities; rent arrears; and most other debt-related matters. Z2K also offers support in the form of non-legal representation at Tribunals, County Courts and Magistrates, and supports and trains other organisations to do the same.
5. Z2K is a member of various welfare reform, debt and enforcement, and housing working groups and forums, including the Pro-Housing Alliance, whose recommendations are being sent separately.

6. As part of NextDoor's Local Housing Allowance (LHA) casework, we have assisted over 100 clients to apply for a DHP from the City of Westminster. This gives us a unique perspective on the way in which DHPs are being used, and the decision making process that is followed by Westminster. As the overwhelming majority of our client's applications have been successful, we also have an insight into our client's personal experiences of DHPs, as well as the longer term outcomes to which they have contributed. What follows is largely based on our practical experiences of DHPs applied for and received from Westminster, and cannot therefore be taken to be indicative of wider practice. However, our experiences do raise concerns over the utility of DHPs generally, as well as the role they play in mitigating the impacts of welfare reform.

## **General comments**

7. This guidance fails to provide local authorities with the information necessary to guide the development of their respective DHP policies, rather than simply their individual decision making. Whilst each local authority will have very different and localised needs, a greater amount of direction on the outcomes sought to be achieved and, more importantly, the types of evaluation needed to ensure this, would be beneficial. Although the Guidance does provide examples of the types of objectives to which DHPs can be used, there is no requirement or indication that local authorities should evaluate how well they are being achieved.
8. For example, in a recent meeting with one of Westminster's Housing Benefit officers, it was admitted that the local authority had focused overly on using DHPs to reduce rents, and that this had not been entirely successful in practice. It was also accepted that for some families accessing a DHP was insufficient to meet their needs because they faced eviction in any case. Z2K has suggested and continues to press Westminster for an answer on whether they would be willing to agree to in-principle DHPs that could be used to allow families to search for private accommodation that is more affordable but still above the LHA caps. Such a DHP could be used for the very small handful of cases where a move out of the borough is not appropriate but they cannot remain in their current home either. It was noted to me by the same officer that they were restricted by the policy itself, and stated that the Committee process prevented any easy amendments to it.
9. In our opinion, it would be better to focus DHPs on specific outcomes and then evaluate the Scheme against how well these are being achieved. However, there is nothing within the Guidance that indicates that local authorities may want to review their policies and/or gather data on outcomes. If outcomes are not properly monitored there is a risk that taxpayers' money is not being spent effectively and/or efficiently. Most organisations would be required to justify the use of any funds granted and we do not see why this should not be the case for local authorities. It could also provide extremely useful data for the DWP and help them to better develop their Guidance in the future.

10. Another example of this can again be found in the way in which Westminster have and continue to use DHPs to provide households with additional time to move. While this is admirable, it does not appear that they have any regard for whether the families are in fact moving before the DHP expires. If they are not, then one must ask what value has been achieved by granting the DHP in the first place. In our experience, the overwhelming majority of the 210 families we have worked with would do anything not to move. This makes their moving before the DHP expires very unlikely, and we see this played out with most of our clients. If Westminster were minded to focus on outcomes, they would quickly see that it is a better outcome to house one needy family for 12 months than it is to delay the moves of four less needy families for 3 months. However, if Westminster is not adequately monitoring outcomes, how will they know?
11. Following on from this point, monitoring DHP outcomes would provide valuable information about why these objectives are not being met. If a referral is made to the authorities' Housing Department, and they are aware that a DHP has been granted for a specific purpose, if that is not achieved, for example, because the family does not move, perhaps it is the failure of the Housing Department to adequately assist the family that is leading to the failure. But again, if outcomes are not monitored, how are local authorities to know?
12. Although the Guidance does suggest that Benefit Departments work closely with social services and housing to achieve the best outcomes, this fails to account for the often appallingly un-corporate approach that many local authority departments take. All departments should be working towards the same objectives, but often this is not the case because they have competing priorities or they are contracted out services, as is the case with Westminster's Housing Options Service, which is run by the local ALMO. More emphasis should be placed on cross-departmental working arrangements that empower Benefit departments to seek assistance with achieving their presumably shared outcomes.
13. Without prejudice to the discretion of local authorities, it must be possible for the Guidance to be phrased in such a manner as to indicate that this is a good idea rather than a mandatory requirement. Promoting best practice is an objective of this Guidance, but not enough is done to draw out how this could be achieved.

## **Good Practice Guide**

### Section 1: Support for customers affected by the benefit cap

14. Point 1.11 of the Guidance Manual states that the "additional funding is intended to give short-term, temporary relief to families who may face a variety of challenges which prevent them from being able to move immediately or to help manage families [sic] move into more appropriate accommodation". We feel that this focuses overly on clients moving from their present accommodation, rather than entering employment or otherwise exempting themselves from the cap. Although the examples make it clear that this is not the only intended purpose, it does seem

inconsistent to state that the intended purpose of the additional funding is exactly that.

15. It also remains unclear exactly what “more appropriate accommodation” means. If what is meant is more ‘affordable’ accommodation, we suggest that this be substituted.
16. Point 1.12 then goes on to outline those groups that are most likely to need such assistance. This list is not adequate, as it fails to address:
  - The more general question of those applicants who, because of disability (please note that the DWP’s own EIA states that 45% of those affected would be considered disabled under the Disability Discrimination Act), require additional time and/or support to enter into employment or move. For example, those clients who are receiving Incapacity Benefit, Income Support (on the ground of disability) or the Work-related Component of Employment and Support Allowance;
  - It also fails to account for families who will find it difficult to enter into employment or move because they contain family members under the age of five years’ old;
  - And those who care for a family member outside of their household, and for whom they are receiving Carer’s Allowance.
17. We would strongly recommend including these particularly problematic groups within Point 1.12, as they are the most likely to be applying for assistance.

## Section 2: Support for customers affected by the size criteria

18. It is unclear from this section what will happen long term to those who fall within the two priority groups. The statements made in points 2.6 and 2.7 would appear to suggest that these groups should be supported indefinitely, but this is not indicated or made explicit within the guidance. While protecting the local authority’s discretion, more guidance needs to be given on the duration and purpose of these particular decisions.
19. It is unclear what local authorities with a higher proportion of residents in these two priority groups are supposed to do. For example:
  - If a particular local authority has a much higher than average number of foster carers, how are they to meet the obligation to prioritise this group?
  - How should they prioritise foster carers over those with disability adaptations, or vice versa?

## Section 3: Support for customers affected by LHA restrictions

20. Point 3.0 states that “LHA rates are now set at the 30<sup>th</sup> percentile rather than median”. This is, however, incorrect. The Rent Officers (Housing Benefit Functions) (Amendment) Order 2012 has amended the Rent Officers (Housing Benefit Functions) Order 1997, and frozen LHA rates since April 2012. They will not be increased again until April 2013, when they will increase by the Consumer Price Index in areas of high inflation, and by the 30<sup>th</sup> percentile in all other cases. This statement is therefore incorrect and misleading, and should be amended.
21. Point 3.0 also fails to mention the Shared Accommodation Rate, which will be affecting over 60,000 claimants nationally. Although a smaller number of this particular group will be considered eligible, their complete omission may be taken to indicate that they are not intended for this group at all. They also represent a group who will be most in need of assistance with deposits and rent in advance, as they may be unable to seek appropriate assistance from the housing department.
22. It is also unclear in Point 3.3 why the Retail Price Index is referred to. This has never been a source of LHA rates. It also gives the impression that all LHA rates will be increased by CPI, when some will not.
23. This entire section fails to provide adequate guidance to decision makers. For example, nothing is made of the fact that the LHA changes, unlike the other reforms, affect all private tenants, regardless of age, disability and/or employment status. Neither does it provide any indication of the types of use to which a DHP could be applied, and only relies on one example. Some uses which could be adverted to include:
- Using DHPs during landlord negotiations to incentivise them into reducing their rents;
  - Preventing homelessness by granting 12 month DHPs which attach to new Assured Shorthold Tenancies, so vulnerable families can stay in their homes longer term;
  - Preventing homelessness by granting in-principle DHPs to those families who have to move but will not be able to find alternative accommodation at LHA rates in their local area;
  - Preventing homelessness by using DHPs alongside a local authority’s Private Rented Sector Access (or Prevention) Scheme to increase the supply of private sector housing by incentivising landlords into letting to LHA tenants (note the London Borough of Brent’s approach).
24. Section 3 requires further examples, especially those which indicate some of the difficulties we have adverted to above. With this in mind, the examples could emphasise the behavioural aspects that need to be taken into account. For example, whether a family is more or less likely to comply with conditions and/or whether their behaviour will militate against the achievement of the DHP’s purpose. If a

decision maker grants a short term DHP because the client is disabled, is their disability such that the applicant's moving before its expiration is unlikely? Often the need represented by the applicant will itself affect the likelihood of their acting in certain ways. Further, if a client is clearly very disabled, are there actions which could/should be taken by other services? Would the granting of a DHP on the condition that these services are engaged with/engaged make more sense?

#### Section 4: Managing the DHP Scheme

25. Although point 4.4 sets out the objectives to which DHPs may be applied, it fails to adequately address the issue of children who are subject to a Child Protection Plan. All of the guidance on this issue states emphatically that such children should not be moved between authorities if at all possible. With this in mind, and considering the very small numbers involved, we believe it would be perverse for a local authority to turn down such a request. We would expect, therefore, that this be included as one of the objectives, separate and distinct from the more general safeguarding provision.

#### Section 5: Further examples of good practice

26. Although this and the previous section set out the types of objectives for which DHPs are intended, neither section mentions that local authorities may wish to monitor whether these objectives are actually being achieved, and if not, alter their decision making and policies accordingly. In our experience of the City of Westminster, there does not appear to be much consideration given to whether the goals for which the DHP was granted are actually being achieved. For example, Westminster has been granting DHPs to give certain households additional time to move. However, in our experience, most of these families do not move until after the DHP expires. Instead they apply for another DHP, which is almost always turned down. It is important for decision makers to ask themselves how likely it is that any given household will move, and factor this into their decision making.
27. DHP applications and acceptances are in the hundreds not thousands. It would not, therefore, be an excessive burden to request that local authorities report on the outcomes sought and whether or not they were achieved.