

SSA EQUALITY IMPACT AND NEEDS ANALYSIS

Directorate	Resources
Service Area	Revenue Services
Service/policy/function being assessed	DHP policy
Which borough (s) does the service/policy apply to	Wandsworth
Staff involved	Peter Forde

SUMMARY

Please summarise the key findings of the EINA:

The Council's DHP policy will continue to provide assistance to the most vulnerable households in the borough. The removal of the guarantee for childless households does not preclude those households from applying for a DHP and having their application assessed against the current criteria within the scheme.

The Council's DHP policy aims to provide assistance to the most vulnerable households, and specifically with regard to the benefit cap it looks to provide additional financial support to those households that have the greatest barriers to moving into work including those with lack of employment experience, those with lack of fluency in English and households with children who need to fit employment around childcare provision. The proposed amendment to the policy takes into account the Council's need to ensure that it can continue to support an increasing number of vulnerable households from a static fund. The proposal is to amend the DHP policy to target the guaranteed DHP awards for capped households to those households considered most vulnerable and those that need the greatest assistance in transitioning to work (i.e. those households with children). The DHP policy will still allow childless household to apply for and receive DHP but this will be subject to a case by case discretionary decision.

The EINA has confirmed that the policy change will have no effect on households that have achieved the age for state pension credit or those in receipt of long term disability and caring benefits as these households are exempt from the Benefit Cap.

The EINA has found that the proposed changes will mean that the DHP policy will continue to have a positive impact on children as the DHP policy targets awards at families. Nationally and locally data is not available for childless residents who may be in need of support. It is also not available by race overall. As such the impact on women and BME residents is hard to quantify. However as nationally 66% of claimants who are likely to have their benefit reduced by the cap will be single females, the majority of whom are expected to be lone parents who will not be affected by the policy change, and it is estimated that 37% will be BME it is likely that the changes to the DHP policy may impact on women and BME residents. To mitigate this nationally a range of measures have been put in place (as outlined in the Government's EIA). In addition the revised DHP policy does not preclude residents without children applying for DHP. The Council also provides additional non-financial assistance to all households, i.e. with or without children, affected by the benefit cap; assisting them with work readiness or applying for additional benefit which would remove or mitigate the effects of the benefit cap. Whilst the council could increase the DHP from its general fund this would result in increasing council tax which would impact on all residents including female and BME residents and/or in reducing services in other areas which would also impact on all residents including female and BME residents.

1. Background

Briefly describe the service/policy or function:

- DHPs are a national scheme set out in the Legislation to assist vulnerable households who have a shortfall between the Housing Benefit (HB) or Universal Credit (Housing Element) they receive and their actual housing costs. They are intended to be available to provide short-term, temporary relief to families who may face a variety of challenges.
- The scheme is funded through an annual Central Government allocation which can be increased by the Council from their own funds to a permitted total 2 and half times the Government allocation.
- In the recent year the Government has increased the level of DHP available nationally to support the additional vulnerable households affected by welfare reforms, such as the Benefit Cap.
- The Discretionary Housing Payment (DHP) Policy provides the guideline on how the Council exercises its discretion to make awards from the allocated fund.
- The Council's DHP policy aims to provide assistance to the most vulnerable households, and specifically with regard to the benefit cap it looks to provide additional financial support to those households that have the greatest barriers to moving into work i.e. families with children who have to find work and childcare arrangements that meet their caring requirements.

- The Council's DHP policy is unique in comparison to other London Councils in that it offers a guarantee where a household has an eligible rent for benefit purposes that is more than 45% of their capped benefit income to award the difference through DHP.
- The proposed amendment to the policy takes into account the Council's need to ensure that it can continue to support an increasing number of vulnerable households from a static fund.
- The proposal is to amend the DHP policy to target the guaranteed DHP awards for capped households to those households considered most vulnerable and those that need the greatest assistance in transitioning to work (i.e those households with children who may have less flexibility in the employment market due the need to find additional support with their responsibility to care for their dependents.).
- The DHP policy will still provide for childless household to apply for and receive DHP but this will be subject to a case by case discretionary decision
- The Council provides additional non-financial assistance to all households, i.e. with or without children, affected by the benefit cap; assisting them with work readiness or applying for additional benefit which would remove or mitigate the effects of the benefit cap.

The Government undertook an EIA on the changes to the Benefits cap in August 2016

(https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/548741/welfare-reform-and-work-act-impact-assessment-for-the-benefit-cap.pdf). This identified the following mitigating actions:

“DWP has a number of measures in place to ease the transition for families affected by the policy change. Our strategy is based on the principle of providing mainstream services that are flexible enough at the point of delivery to deal with the needs of individual customers. Most of the obstacles to labour market participation faced by our customers are very similar, whatever their background. Barriers that may exist - such as lack of confidence, poor educational achievement, low skill levels, childcare or disabilities - are universal. Where impediments are specific to a person's ethnic origins, such as lack of fluency in English, these can be addressed within the mainstream programmes. Additional childcare provided will better support households with children to make the decision to move into work.

There is evidence to show behavioural change prior to implementation for the £26,000 level of the benefit cap:

- *Of those who entered work prior to implementation: over three-in-five people (62%) of those who took action said they looked for a job after being notified they would be affected by the benefit cap.*
- *Around 14% of households in scope for the cap in May 2012 (a year before implementation) moved into work after a year compared to around 11% for similar uncapped households. After controlling for a range of observable characteristics, those in scope for the cap were 1.5 percentage points (14%) more likely to enter employment after a year compared to similar uncapped households.*

There is a wide range of help and employment support currently offered and available by Jobcentre Plus and its partners such as the Work Programme and Work Choice.

Support for childcare costs for those in work is, under the current system, mainly provided through Working Tax Credit and households in receipt of

Working Tax Credit are exempt from the cap. Under UC childcare support is paid via an element within UC and is available to all lone parents and couples, where both members are in work, regardless of the number of hours they work. Payments to support childcare costs through UC will not be affected by the cap and will continue to be received in full. This will help mitigate the impacts of the cap for parents whilst maintaining the work incentive effects of providing support for the costs of childcare for those in employment.

The government currently provides 15 hours of free childcare during term time for all three and four year olds and for the most disadvantaged two year olds. From September 2017 onwards, this free entitlement will be doubled to 30 hours a week for working parents of three and four year olds, worth around £5,000 a year per child. The Government will implement this extension of free hours early in eight local areas from September 2016. Additionally families on low incomes, who are eligible for Working Tax Credit, can already recover 70% of childcare costs, up to a limit of £175 per week for one child and £300 for two or more children. Under UC, from April 2016, the amount of eligible Childcare Costs that can be recovered is 85%, up to a limit of £646.35 per month for one child and £1,108.04 per month for two or more children, where lone parents or where both parents are in work, regardless of the number of hours they work.

DHPs make an important contribution to managing the transition for various customers whilst they make the necessary changes to adapt to the application of the benefit cap. Resources are available to provide short-term, temporary relief to families who may face a variety of challenges. DHPs can also help families manage their move into more appropriate accommodation. Each case is considered on its own merits rather than on predefined criteria. An additional £65 million was provided for this purpose in 2013/14 and a further £45 million in 2014/15 and £25m in 2015/16. A total of £870m in Discretionary Housing Payments is being provided over the next 5 years (from 2016/17) which are available to vulnerable people who need extra support. In circumstances where the HB weekly payment would reduce to below £0.50 – a weekly amount of £0.50 remains in payment to enable access to the DHP Scheme and passported benefits.

In 2015/16, benefit cap DHP expenditure was around £14m, 71% of the allocation to the 319 Local Authorities that returned data on benefit cap expenditure.

Evidence from the evaluation of the £26,000 cap showed that more than two in five (42%) of respondents applied for and received DHP, half of whom (22% overall) were no longer receiving them. Those who applied for and got DHP and who are still receiving them are more likely to have a benefit cap of at least £100 a week (41%), pay £300 or more in rent a week (29%) or live in a council/local authority property (39%). Respondents who are no longer receiving DHP are more likely to be from one-parent families with two or more children (68%) or from a black and minority ethnic background (48%)”

2. Analysis of need and impact

Protected group	Findings
Age	No local data available however the EIA conducted by the Government on the reforms to the Benefit Cap in August 2016

	<p>stated:</p> <p>“Modelling suggests that just over three-quarters (79%) of additional households affected will be aged 25 to 44 (ages are based on the age of the main claimant). This is mainly because those under 25 generally receive less in benefit payments and are less likely to have children. The cap will only apply to working-age benefits and will not impact on single people or couples who have both reached the qualifying age for Pension Credit. In Housing Benefit the cap will not apply to most couples where one partner has reached the qualifying age for Pension Credit. The age distribution of affected claimants remains broadly similar to the current cap.”</p>
Disability	<p>No local data available however the EIA conducted by the Government in August 2016 on the changes to the Benefit Cap stated:</p> <p>“Households where someone is in receipt of Disability Living Allowance (or its replacement, Personal Independence Payment), Attendance Allowance, Industrial Injuries Benefit, the support component of Employment Support Allowance or the Limited Capability for Work Related Activity element of Universal Credit are exempt from the benefit cap.</p> <p>Any households including a claimant entitled to Carer’s Allowance will no longer be capped under the change announced during the passage of the Welfare Reform and Work Act and due to take effect later this year; this exemption will also be applied to the equivalent group in Universal Credit.”</p>
Gender (sex)	<p>No local data available however the EIA conducted in August 2016 by the Government on changes to the Benefit Cap stated:</p> <p>“Modelling suggests that around 66% of claimants who are likely to have their benefit reduced by the cap will be single females but only around 13% will be single men. Most of the single women affected are likely to be lone parents: this is because we expect the majority of households affected by the policy to have children. Around 61% of the caseload are estimated to be female lone parents.”</p>
Gender reassignment	<p>No national or local data available. The Government’s EIA did not envisage an adverse impact on these grounds.</p>
Marriage and civil partnership	<p>No national or local data available. The Government’s EIA did not envisage an adverse impact on these grounds.</p>
Pregnancy and maternity	<p>No national or local data available. The Government’s EIA did not envisage an adverse impact on these grounds.</p>
Race/ethnicity	<p>No local data available however the EIA conducted by the Government in August 2016 on the changes to the Benefit cap stated:</p>

	<p>“We cannot precisely quantify the number of capped households where a member is from an ethnic minority since recording of ethnicity on benefits administrative data isn’t sufficiently reliable to be used. A large proportion of those affected by the benefit cap are larger families. Those from cultural backgrounds with a high prevalence of large families and households from certain ethnic minorities that tend to have a higher proportion of large families are more likely to be affected.</p> <p>A large proportion of the caseload is also in London which, relative to the rest of the country, has a more diverse population. An indicative proportion can be taken from the Ipsos MORI survey of affected claimants (with the cap set at £26,000) which found that 37% of households sampled in the cohort were from a black or minority ethnic background”</p>
Religion and belief, including non belief	No national or local data available. The Government’s EIA did not envisage an adverse impact on these grounds.
Sexual orientation	No national or local data available. The Government’s EIA did not envisage an adverse impact on these grounds.

3. Impact

Protected group	Positive	Negative
Age	<p><u>Older residents</u> Older residents who qualify for Pension Credit are not impacted by the Benefits Cap. There is therefore no impact on older residents of pension age.</p> <p><u>Children and Young People</u> The proposed revision to the DHP continues to prioritise payments to families (couples with families and single parent families). This change therefore supports children and young people and continues to minimize the impact of the national changes on them.</p>	None identified.

<p>Disability</p>	<p>Households where someone is in receipt of Disability Living Allowance (or its replacement, Personal Independence Payment), Attendance Allowance, Industrial Injuries Benefit, the support component of Employment Support Allowance or the Limited Capability for Work Related Activity element of Universal Credit are exempt from the benefit cap. Therefore the changes to the DHP policy will not impact disabled residents.</p> <p>Any households including a claimant entitled to Carer's Allowance will no longer be capped under the change announced during the passage of the Welfare Reform and Work Act; this exemption will also be applied to the equivalent group in Universal Credit. Therefore the changes to the DHP policy will not impact on carers of disabled residents.</p>	<p>None identified.</p>
<p>Gender (sex)</p>	<p>No local data available however the national EIA conducted on the Welfare Reform changes in August 2016 stated "Modelling suggests that around 66% of claimants who are likely to have their benefit reduced by the cap will be single females but only around 13% will be single men. Most of the single women affected are likely to be lone parents: this is because we expect the majority of households affected by the policy to have children. Around 61% of the caseload are estimated to be female lone parents."</p> <p>This implies that women more than men will be impacted by the Government's changes and therefore could benefit from DHP support. The amendment to the Council's DHP policy ensures that it continues to prioritise DHP payments to families. As the national EIA highlights that the majority of women impacted are single parents these changes should have a positive impact on women with children.</p>	<p>The changes to the Council's DHP policy no longer guarantee DHP support for residents without children. As the national data shows that the majority of those impacted by the national changes are women (although the majority of these are parents and therefore they would still benefit from the DHP policy) the changes to the DHP policy could impact more on women than men.</p> <p>The national EIA identified a number of mitigating actions in place to reduce the impact of the benefits cap on those impacted and in so doing reduce the need for DHP locally.</p> <p>In addition the revised DHP policy does not preclude residents without children applying for DHP. The Council also provides additional non-financial assistance to all households, i.e. with or without</p>

		<p>children, affected by the benefit cap; assisting them with work readiness (such as assistance with CVs and providing advice and assistance with finding childcare) or applying for additional benefit which would remove or mitigate the effects of the benefit cap.</p> <p>Whilst the council could increase the DHP from its general fund this would result in increasing council tax which would impact on all residents including female residents and/or in reducing services in other areas which would also impact on all residents.</p>
Gender reassignment	The Government's EIA did not envisage an adverse impact on these grounds and therefore any changes to the DHP policy should not have an adverse impact.	The Government's EIA did not envisage an adverse impact on these grounds and therefore any changes to the DHP policy should not have an adverse impact
Marriage and civil partnership	The Government's EIA did not envisage an adverse impact on these grounds and therefore any changes to the DHP policy should not have an adverse impact	The Government's EIA did not envisage an adverse impact on these grounds and therefore any changes to the DHP policy should not have an adverse impact
Pregnancy and maternity	The Government's EIA did not envisage an adverse impact on these grounds and therefore any changes to the DHP policy should not have an adverse impact	The Government's EIA did not envisage an adverse impact on these grounds and therefore any changes to the DHP policy should not have an adverse impact
Race/ethnicity	<p>The Government's EIA conducted on the Welfare Reform changes in August 2016 stated: "We cannot precisely quantify the number of capped households where a member is from an ethnic minority since recording of ethnicity on benefits administrative data isn't sufficiently reliable to be used. A large proportion of those affected by the benefit cap are larger families. Those from cultural backgrounds with a high prevalence of large families and households from certain ethnic minorities that tend to have a higher proportion of large families are more likely to be affected."</p> <p>This implies that BME families maybe more impacted by the changes and therefore could benefit from DHP support.</p>	<p>The changes to the Council's DHP policy no longer guarantee DHP support for residents without children. BME residents without children could therefore be impacted. The national EIA identified a number of mitigating actions in place to reduce the impact of the benefits cap on those impacted and in so doing reduce the need for them to need DHP locally. In addition the revised DHP policy does not preclude residents without children applying for DHP.</p> <p>The Council provides additional non-financial assistance to all households, i.e. with or without children, affected</p>

	<p>The changes to the DHP policy will have no additional impact on BME families as the policy continues to prioritise its support to families.</p>	<p>by the benefit cap; assisting them with work readiness (including ESOL courses & childcare advice) or applying for additional benefit which would remove or mitigate the effects of the benefit cap.</p> <p>Whilst the council could increase the DHP from its general fund this would result in increasing council tax which would impact on all residents including BME residents and/or in reducing services in other areas which would also impact on BME residents.</p>
<p>Religion and belief, including non belief</p>	<p>The Government's EIA did not envisage an adverse impact on these grounds and therefore any changes to the DHP policy should not have an adverse impact</p>	<p>The Government's EIA did not envisage an adverse impact on these grounds and therefore any changes to the DHP policy should not have an adverse impact</p>
<p>Sexual orientation</p>	<p>The Government's EIA did not envisage an adverse impact on these grounds and therefore any changes to the DHP policy should not have an adverse impact</p>	<p>The Government's EIA did not envisage an adverse impact on these grounds and therefore any changes to the DHP policy should not have an adverse impact</p>