

# Discretionary Funds and Income Maximisation at Hackney Council

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# What Are Discretionary Funds?



**Discretionary funds refer to financial support provided by Hackney Council** for residents experiencing financial difficulties due to unexpected shocks and costs and which require emergency help from the council.

**These funds can help residents with a wide spectrum of needs including:**

- Crisis support (e.g. emergency food assistance)
- Housing (e.g. white goods)
- Debt management (e.g. rent arrears)
- Reduction schemes (e.g. Council Tax and Council Tax arrears)
- Utility and energy bills
- Digital access (e.g. mobile phone top up)

**Discretion:** “The perceived freedom of street-level bureaucrats in making choices concerning the sort, quantity, and quality of sanctions, and rewards on offer when implementing a policy.” (Tummers & Bekkers, 2014)

# Agenda



1. Context & Research Overview
2. What is Happening Currently with Discretionary Funding Schemes
3. User Research
4. Defining the Problem
5. Prototyping Solutions
6. Next Steps

# Context & Research Overview

# Context: Cost of Living Crisis

**UK cost of living sees fastest increase in 30 years**

**UK energy bills to rise by over 50% in April as regulator announces hike**

The crisis is being felt acutely in Hackney, which is the **11th most deprived borough in England**.

House prices in the borough have more than **doubled** in the last ten years.

Out of a population of over 280,900 there are **nearly 8,000 homeless people** in Hackney.

1m UK adults 'go entire day without food' in cost of living crisis

Study finds one in 10 households report food insecurity while people with serious disabilities five times more at risk



# The Policy Environment

- **Multiple, intersecting challenges:** cyber attack, COVID-19 pandemic, austerity, inflationary pressures
- Central Government likely to continue to **deliver welfare via discretionary funds**
- **Short-term & changing** policy for discretionary schemes with **close monitoring and auditing** of spend

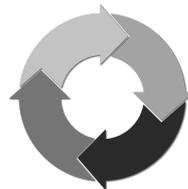


**45% reduction** in Hackney Council's core budget from 2010 to 2019

# The Change Support Team



As part of Hackney Council's ***Here to Help*** Service, the Change Support Team are working within this policy environment to improve the council's services, using service design and behavioural insights.

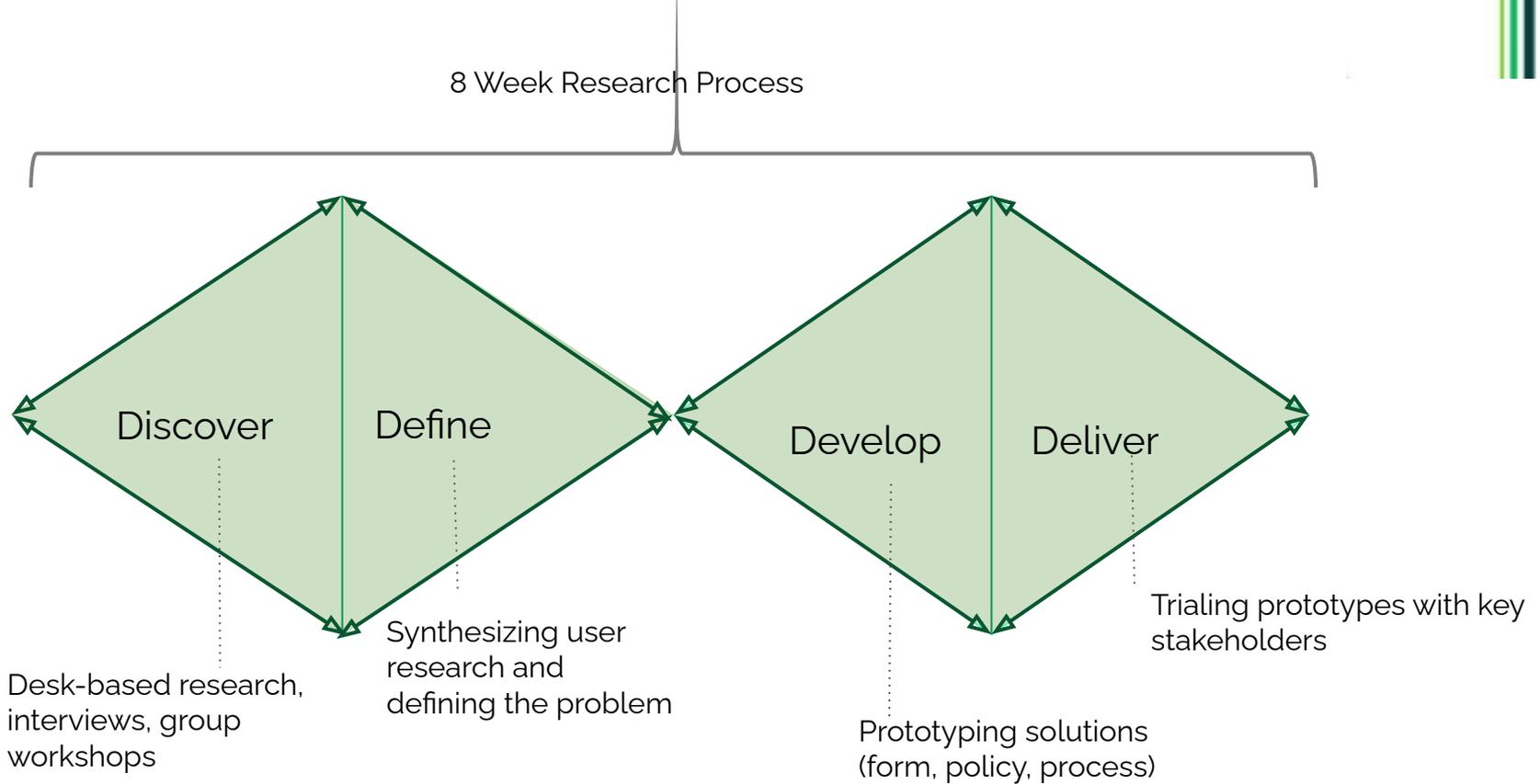


# Research Starting Point



How can we make **access to discretionary funds** and other **income maximisation** services easier and more flexible to help **prevent homelessness in Hackney?**

# Double Diamond Research Process



# Research Overview

**39** research sessions in 8 weeks...

## **9** Interviews with Council Staff

- Council Tax “Stop the Knock” Team Manager
- Early Help Hub Manager
- Financial Inclusion Officer
- Customer Services
- Link Workers x3
- Family Unit Officer

## **5** Group Workshops:

- Family Support Workers
- Housing Needs Officers
- Key Council Stakeholders
- Social Landlords
- Food Network Partners

## **5** Shadowing Sessions

- Housing Needs assessments
- Link Work
- Financial Inclusion assessments
- HDCSS
- Customer Services

## **2** Interviews with Local Authorities

- Redbridge
- Islington

## **3** Information Sessions

- Better Conversations
- Homes for Ukraine
- Income Maximization

## **7** Interviews with External Partners

- Advice Partners
- STEPS
- Hackney Carers
- Hackney Food Bank
- Furniture Poverty Campaign
- Shelter
- Money A&E

## **3** Resident Interviews

## **2** Prototype Testing Sessions

- Customer Services
- DHP Team

## **3** Process Mapping Sessions

- Council Tax Hardship Form
- DHP Application Process
- HDCSS Application Process

DISCOVERY

# What is Happening Currently

# Discretionary Schemes

Administered by Hackney Council Revenues, Benefits, and Housing Needs Teams



Context	Start	Discretionary Scheme	Finance Overview
Changes in Central Government Welfare Policy	2013	<b>Council Tax Hardship Discretionary Fund</b>	<b>£100k</b> per year (allocated budget) <b>32.4%</b> approved
	2013	<b>Hackney Discretionary Crisis Support Scheme (HDCSS)</b>	<b>£156,431</b> (2021/22 spend) <b>39%</b> approved
Cost of Living Crisis	2001	<b>Discretionary Housing Payments (DHP)</b>	<b>£2.13m</b> (2021/22 spend) <b>74%</b> approved
	2021	<b>Homelessness Prevention Grants*</b>	<b>£5.75m</b> for 2022/2023
COVID-19	2021	<b>Household Support Fund*</b>	<b>£2.8m</b> to be spent April-September 2022
	2022	<b>Support for Energy Bills / Council Tax Rebate</b>	<b>£1.93m</b> to be spent April-November 2022 <b>£150 per person</b>

\*Rate of approval data not available

# What Other Local Authorities Are Doing



- **Citizens Support Scheme** - small Urgent Needs Awards and larger Home Needs Awards
- Use **Paypoint** to speed up processing and payout
- Process **95% of Urgent Needs** in 24 hours, pay out **85% of requests**



- **Low Income Family Tracker (LIFT)** dashboard centralises data and team proactively reach out to residents



## ISLINGTON

- Dedicated **income maximisation team**
- Fast administering of funds due to **flexible eligibility criteria**



- **Homes and Money Hub** providing direct financial help and **income maximisation services**
- **Assigned caseworkers** look holistically at each person's finances

DISCOVERY

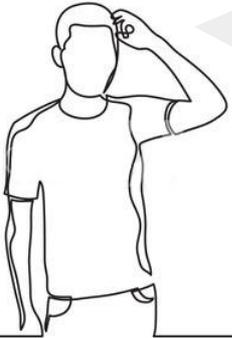
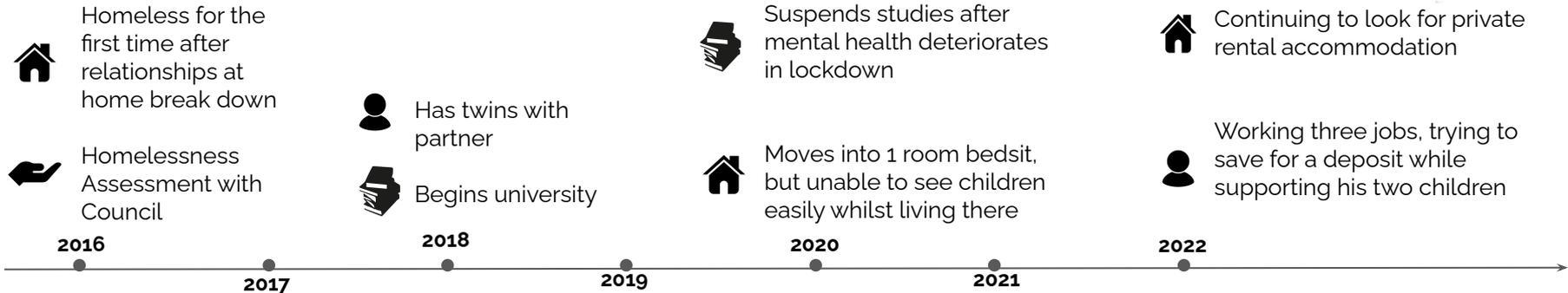
# User Research

# Key Themes from User Research



Perspective	Awareness and understanding of the schemes	Applying to the schemes	Administering of support
Residents	<i>"I <b>wasn't aware about discretionary schemes</b> until someone from the council told me that I might be eligible for them."</i>	<i>"The application process was very <b>long-winded</b> and annoying. It was really <b>disheartening</b> when I didn't get it."</i>	<i>"It feels like there's <b>gatekeepers</b>. It's difficult to access this funding."</i>
Council Staff	<i>"There's a <b>lack of shared understanding</b> across services about what residents are eligible for." <b>Housing Needs Officer</b></i>	<i>"The process <b>disqualifies</b> and <b>discourages disabled people</b>, and vulnerable people in general. It takes a long time, and requires decent levels of <b>digital skill</b>." <b>Family Support Officer</b></i>  <i>"The <b>lack of a centralised database</b> for resident information <b>increases the workload</b> of council staff." <b>Council Tax Officer</b></i>	<i>"We look to every other avenue before we try HDCSS. It <b>takes too long to come through</b>." <b>Financial Inclusion Officer</b></i>  <i>"One-off payments won't be that helpful if <b>fundamental financial problems</b> aren't addressed." <b>Early Help Hub</b></i>
External Orgs.	<i>"It's <b>hard to know what discretionary funds are available</b>." <b>Citizens' Advice Bureau Advisor</b></i>	<i>"The application is <b>not trauma-informed</b>." <b>Steps Officer</b></i>	<i>"Residents don't receive <b>confirmation</b> of their application, or <b>updates</b> on its progress." <b>Debt Advisor</b></i>

# Case Study 1: Mark (2016-present)



*"I've been facing **housing insecurity** since the age of 19 when I left home and started renting, and since then it's been a downward spiral."*  
**Mark, age 27**

- Moves out of bedsit. Had private accommodation lined up, but was unable to pay the deposit due to being paid 2 weeks in arrears
- Split from partner, but continues to co-parent children
- Sought out and applied to **DHP** and **HDCSS**, both applications rejected

# Case Study 2: Julie (2021-present)



 Julie's son moves out, and she loses his financial support for bills and rent

 She has a shortfall in her housing benefit of £150 per week

 Julie's rent arrears start to build up

2021

 After 1 year, Julie is awarded a **DHP** of £1,155 which clears her rent arrears

 Despite the wait, Julie speaks very highly of the support she received from council staff throughout the process

2022



*"I had to wait **1 year** for DHP to come through. It was a stressful time, but the council staff were **very supportive.**"*  
**Julie, age 63**

 Julie's rent arrears build up to over £1,000

 She reaches out to the council for help with arrears. Financial Inclusion Officer helps her complete a **DHP** application

 Julie is very concerned she will be evicted, and her mental health deteriorates

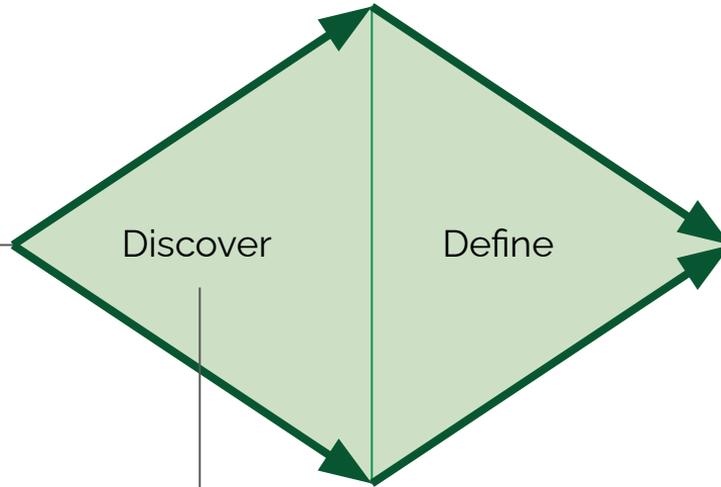
DEFINING

# Defining the Problem

# Generating a Problem Statement



**Starting Point:** How can we make access to discretionary funds and other income maximisation services easier and more flexible, to help prevent homelessness in Hackney?



**Problem Statement:** Support for residents who are in financial difficulty and at risk of homelessness is not working effectively, both in alleviating short-term crises and maximising income in the long-term.

**Key observations from user research:** There is not sufficient **awareness** of the financial support available through discretionary funds. When people do apply, the **application** process for discretionary funds is complicated and long-winded. Funds are **administered** too slowly to meet crisis needs, and are not administered in coordination with other support.

DEVELOPING

# Prototyping Solutions

# Key Problem Areas: Awareness, Application Process, and Administration



## 1. Awareness of financial support

- **Lack of awareness** of schemes across the council, VCS and with residents
- **Lack of understanding** of who the schemes could help and how they could help them

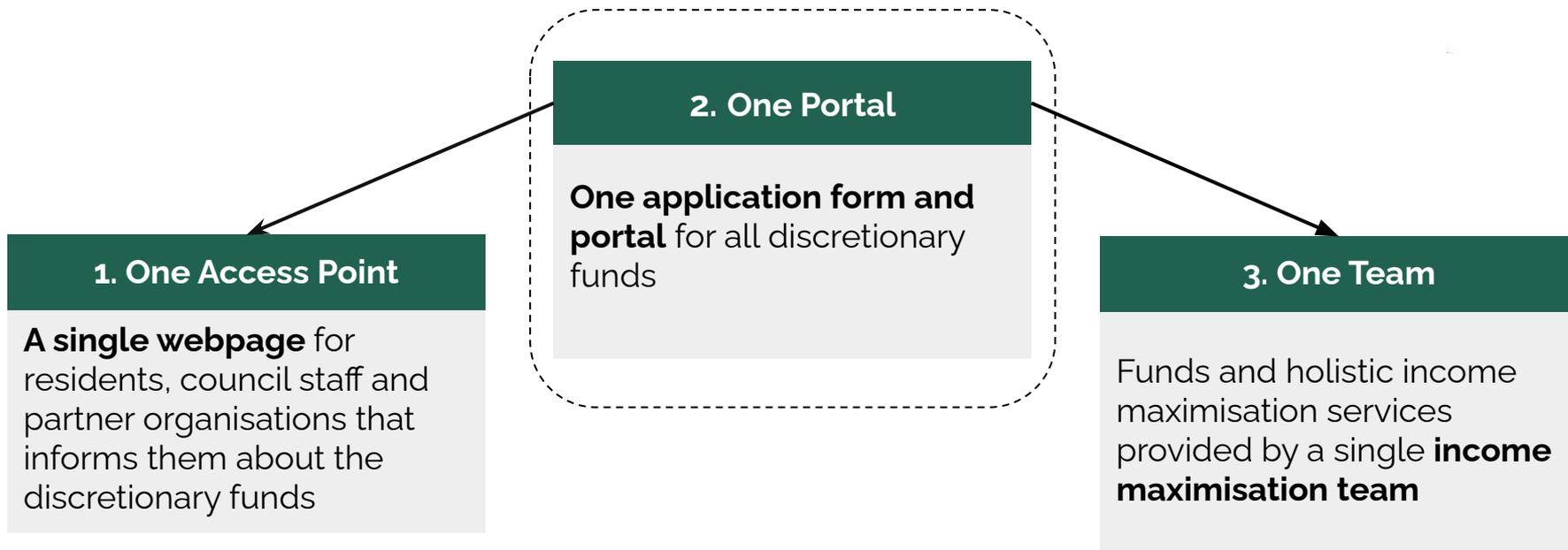
## 2. Applying for support

- **Long-winded, non-trauma-informed** application, deterring vulnerable people from applying
- **No formalised coordination and information sharing within the council** = repetitive information gathering
- **Digitally exclusive**

## 3. Administering support

- **Slow administering of funds**, failing to meet immediate needs of residents
- **Lack of transparency** of process once the application has been made
- Lack of coordination of discretionary funds with **other holistic support**

**Three high impact solutions** were identified following workshops with residents, staff & partner organisations



Starting with 'one portal' because:

- The single webpage needs to **lead to an improved access point**
- **Holistic support needs an access point** in order to provide help
- It is a **key touchpoint** between residents and the council

# The Hackney Support Scheme Pilot



This is a first attempt to **simplify and centralise access** to Hackney's discretionary funds and income maximisation services. We've categorised the support schemes according to **three tiers**, defined according to three broad categories of resident needs (based on our research and case studies).

Tier	Description	Amount Available	Max. Payout Time	Payment Method	Funding Sources
1	<b>Crisis</b> (food shortfall, energy rebate, council tax reduction, gas and electricity bills)	Up to £100	24 hours	Paypoint, cash card, food vouchers	Council Tax Hardship; Support for Energy Bills; HDCSS
2	<b>Housing Needs</b> (white goods, carpets, furnitures, housing deposit)	Up to £2,000	10 working days	Vouchers, items delivered directly, money credited to account	HDCSS; Household Support Fund; DHP
3	<b>Homelessness Prevention</b> (debt, rent arrears, council tax arrears, holistic financial support)	Over £2,000	Ongoing support	Rent paid directly to landlord, money credited to account, help finding work, financial planning	DHP; Homelessness Prevention Grants



# Draft Pilot Hackney Financial Support Form

This form is designed to help Hackney residents in times of financial hardship.

Financial hardship can include situations where residents need immediate related crisis support as well as support with longer term money management. We know financial hardship is a spectrum of need which can range from covering energy bills, help with Council Tax payments, help with household goods, deposits, removal costs, unexpected bills, debt management and holistic support more generally.

Filling out this form will help Hackney Council staff determine what assistance we might be able to give you.

This form will be reviewed by a member of staff taking into account your individual circumstances and needs.

You will receive a response via phone or email.

Filling out this form does not guarantee that you will receive assistance.

## Guidance:

Expected to be completed online by a resident or on a resident's behalf.

Introduction sets expectations for a resident of the process and the help they might receive.

### Consent to Share Information with Hackney Council \*

The Council will use the information collected in this form to understand what support may be right to support you. Please find details of how the council uses information here: <https://hackney.gov.uk/privacy/>.

I consent to share the information in this form with Hackney Council.

# Identifying the resident



## Resident Information

Why this information is needed:  
To identify you within existing Hackney Council systems in order to have the most up to date information about you to support your application.

First Name \*

Your answer

Last Name(s) \*

Your answer

Date of Birth \*

(date/month/year)

Your answer

Contact Telephone Number

Your answer

Email Address

Your answer

Preferred Method of Contact

How would you like to be contacted by Hackney Council?

## Guidance:

Hackney Council already holds a lot of information about residents that may be applying for these funds.

Questions can be limited to essential 'identifiers' needed to provide support (full name, date of birth and National Insurance Number).

National Insurance Number \*

Short-answer text

Do you receive Universal Credit?

No

Yes

# Understanding the resident's situation

## Description of Hardship (tick all that apply)

Why this information is needed:  
For Hackney Council to understand your situation to help us think about how we can support you best.

### Today...

- I am struggling to pay an essential bill.
- I struggled to pay my essential bills (rent, gas and electricity, council tax, water, telephone and internet) last month and worried about the coming weeks.

If you are struggling to pay essential bills, what are the bills and how much do they cost?

Over the last three months,

- I have severely struggled to buy essential household items, food and/or clothes.
- I, or someone in my household, have had acute/unexpected health problems which are affecting my ability to acquire essentially household items, clothing and or food.

If you are struggling to buy essential items please describe what items you need.

Your answer \_\_\_\_\_

## Guidance:

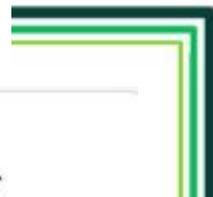
The form asks the resident about any short, medium and/or long term hardships, to establish the tier of support they might need.

### This month...

- I have credit card debts exceeding the monthly payments and accruing interest.
- I am in council tax arrears of £300 or more.
- I am in rent arrears of £600 or more.
- I need help paying a rent deposit.
- I need help with household removal costs (i.e. costs associated with moving house or disposing of household items).

If you are in arrears, need help with a rent deposit or removal costs, please describe the situation and cost.

Your answer \_\_\_\_\_



Please provide any additional information that would help us understand your situation better and how Hackney Council could support you.

Your answer

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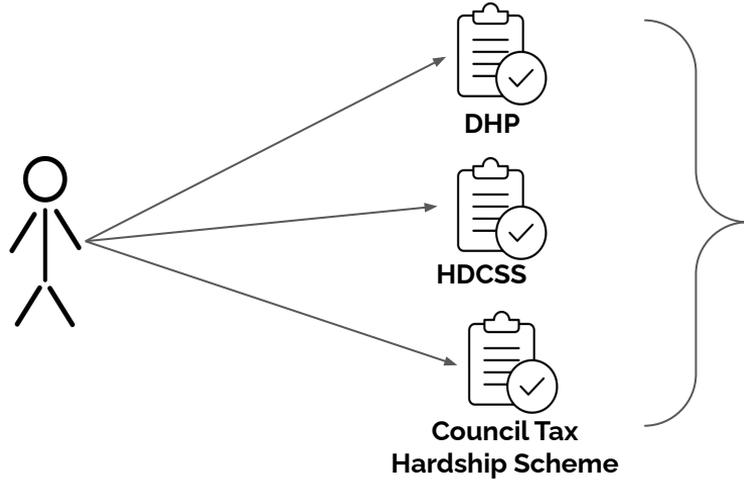
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### **Guidance:**

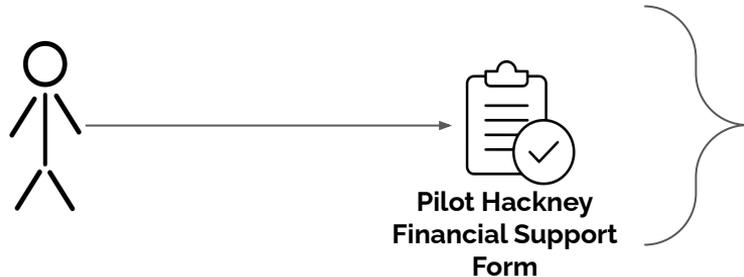
This qualitative question gives residents the chance to explain the challenges they are facing in their own words, to provide more context and help the income maximisation team provide wrap-around support.

# Pilot Form Impact



Over **200** questions

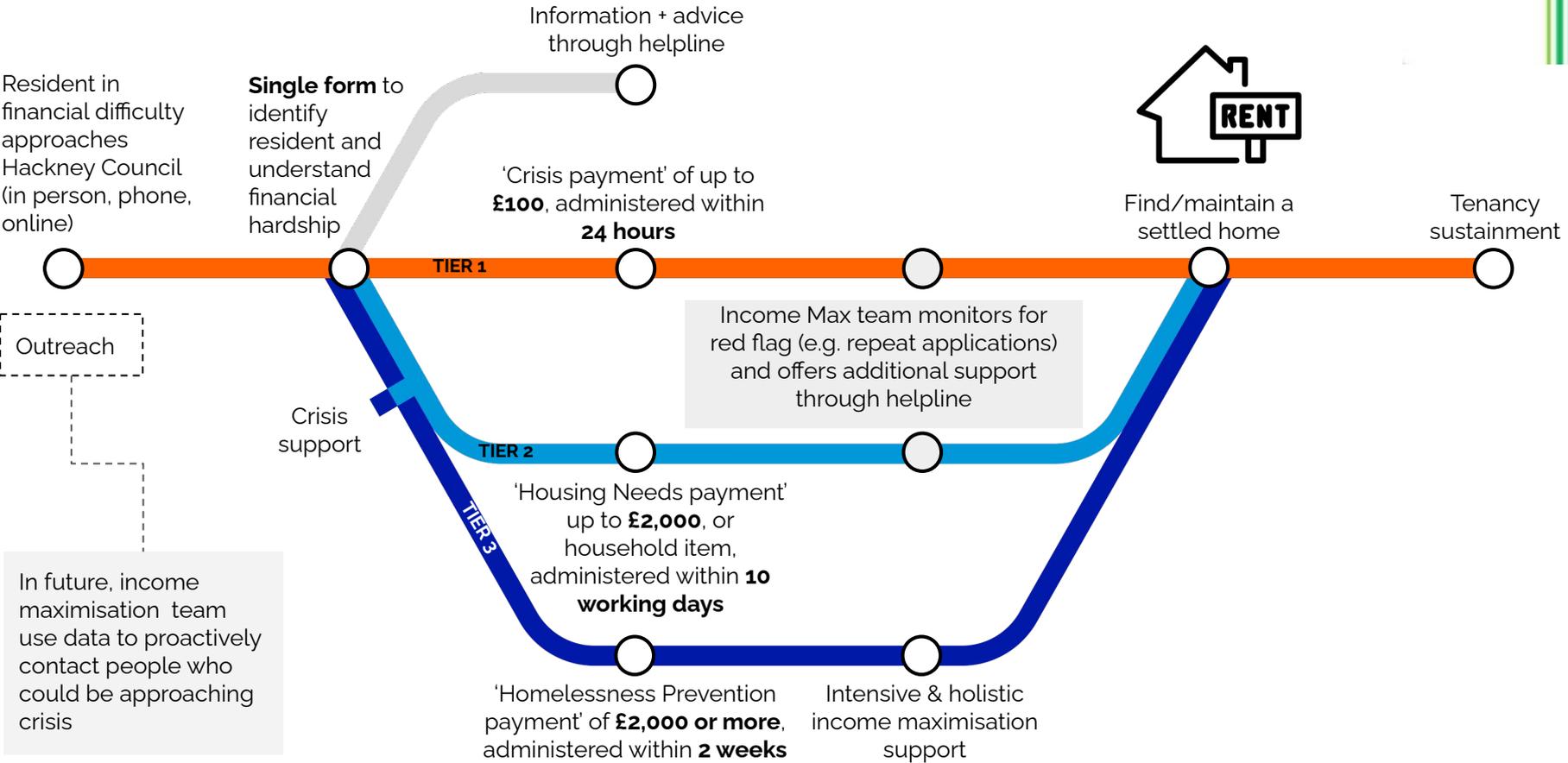
Estimated **2.5 hours** resident & staff time



**15** questions

Estimated **20 minutes** to complete

# Process Map



DELIVERY

**Next Steps**

# Next Steps for the Change Support Team



**Continue to test the form** across Hackney Council and more widely with stakeholders



**Design how Hackney Council could process applications if staff received the prototype form** & developing a system that works better for staff and residents



**Work out the appropriate structure of a dedicated income maximisation team** to manage a financial support helpline, process applications and provide holistic support

# Reflections



## Academic Reflections

- Systems change
- Bureaucratic silos/street level bureaucrats

## Team Reflections

- Time constraints
- Embeddedness with change support team

## Council Reflections

- Challenge of engaging historically excluded groups and building trust
- Culture change

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Design Council (2019) 'Framework for Innovation: Design Council's evolved Double Diamond', <https://www.designcouncil.org.uk/our-work/skills-learning/tools-frameworks/framework-for-innovation-design-councils-evolved-double-diamond/>

Seelos, C., & Mair, J. (2018). Mastering System Change. *Stanford Social Innovation Review*, 16(4), 35–41. <https://doi.org/10.48558/XNH9-8T6o>

Tummers, L., & Bekkers, V. (2013). Policy implementation, street-level bureaucracy, and the importance of discretion. *Public Management Review*, 16(4), 527–547. <https://doi.org/10.1080/14719037.2013.841978>

UK Government, User Research - Service Manual, <https://www.gov.uk/service-manual/user-research>

## Links to Mural Boards:

[HDCSS Process Map](#)

[Food Network Workshop](#)

[DHP Process Map](#)

[Researching solutions with key stakeholders](#)

[Research Mural](#)

