

CABINET

21st January 2014

DISCRETIONARY HOUSING PAYMENT POLICY

Report of the Director of Resources

STRATEGIC AIM:	All		
KEY DECISION	No	DATE ITEM FIRST APPEARED ON FORWARD PLAN	December 2013

1. PURPOSE OF THE REPORT

- 1.1 To update Members on the administration of Discretionary Housing Payments (DHP's) for 2013/14.
- 1.2 To seek approval of the Discretionary Housing Payments policy administered in accordance with the Discretionary Financial Assistance Regulations 2001.

2. RECOMMENDATIONS

- 2.1 **That Cabinet approves the Discretionary Housing Payments Policy as detailed in Appendix A.**
- 2.2 **That Cabinet gives authority to the Assistant Director (Finance) and in conjunction with the Portfolio Holder for Finance to review the Discretionary Housing Payments policy in future years.**

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 To ensure that the council has a policy that is fit for purpose following the changes to local authority administered welfare benefits.
- 3.2 To ensure that the council is able to adapt and revise the policy promptly to reflect any future welfare reform changes and judicial decisions.

4. BACKGROUND

- 4.1 Since 2001, local authorities have had powers to make discretionary payments to top-up Housing and Council Tax Benefit payments known as Discretionary Housing Payments (DHP's).
- 4.2 There were two DHP schemes; one for additional assistance for rental liability and another for shortfalls between Council Tax liability and Council Tax Benefit. From April 2013 Council Tax Benefit was abolished and DHP's do not cover Local Council Tax Support shortfalls, this is catered for by the council's Discretionary Fund.

- 4.3 DHP's can only be awarded to claimants who are in receipt of Housing Benefit. Claims are currently assessed on a case by case basis having regard to the latest Department for Work and Pensions (DWP) guidance. As awards are discretionary, there is no statutory right to receive an award.
- 4.4 DHP's are fully funded by Central Government; the amount that can be paid out in any financial year is cash limited by the Secretary of State. Local authorities can choose to top-up the amount by 2 ½ times the amount of grant provided by the DWP.
- 4.5 It is advisable for the Council to adopt a robust policy at this time for a number of reasons:
- a) Funding levels are likely to decrease in future years as Housing Benefit for working age claimants is incorporated into Universal Credit;
 - b) Financial hardship is likely to increase as the impact of under occupancy changes and the benefit cap are realised;
 - c) To ensure awards are fair and target those most in need of assistance;
 - d) To ensure that the Council is in a strong position to bid for further funding if this is made available by the DWP; and
 - e) To evidence the policy aims process of award and refusal in the event of a complaint or challenge.
- 4.6 The proposed policy takes into account the latest guidance from the DWP.

5. POLICY AIMS

- 5.1 The policy aims to support the following principles:
- a) Prevention of homelessness;
 - b) Sustaining tenancies for vulnerable tenants;
 - c) Securing new tenancies for vulnerable people;
 - d) Providing short term support for people with short-term difficulties or major life events;
 - e) Keeping families together; and
 - f) Encouraging people into paid employment.

These principles align with the Council's strategic aims and objectives.

- 5.2 Officers work with other departments and organisations to promote and raise awareness of DHP's, in particular with the Housing Options team, Rutland CAB and Registered Social Landlords, as well as landlords in the private rental sector.
- 5.3 The policy details who can apply, how applications are considered, period of award and how appeals will be dealt with.
- 5.4 Other local authorities have revised their own policies in line with the DWP recommendations. As the Council does not have its own housing stock, Officers have not had to consider any potential conflict or ratio of awards for its own stock and that of registered social landlords.

6. FUNDING

6.1 The DWP provided increased levels of funding for local authorities for 2013/14 to allow for increased demand on the fund relating to under occupancy changes and the benefit cap. The following table details the DHP funding allocation for the last 3 years and the amount spent.

Year	Amount allocated	Amount spent
2011/12	£9,488	£6,099
2012/13	£16,413	£14,587
2013/14	£36,068	£19,489 to date

6.2 It is expected that the full sum of £36,068 allocated for 2013/14 will be spent. Any amount of funding that is underspent is returned to the DWP.

6.3 The DHP allocation is closely monitored within our software application to ensure that Officers are aware of the funding available, how much an award is likely to cost and the value of the committed awards. Officers have successfully managed this funding stream since 2001. Therefore the risk of over or underspending is low. The DWP also require biannual reporting from local authorities and have this year introduced further reporting requirements.

6.4 Future funding from Central Government is likely to reduce from 2014/15 onwards as tenants and landlords are expected to find alternative long term solutions. Funding in 2013/14 was increased because the impact of the welfare reform including the under occupancy changes and the benefit cap.

6.5 The introduction of Universal Credit and gradual reduction in Housing Benefit expenditure will nevertheless see DHPs continuing. The policy will require revisiting at this time.

7. RISK MANAGEMENT

RISK	IMPACT	COMMENTS
Time	Low	DHP's are already in payment. This policy updates and formalises the current working practices.
Viability	Medium	DHP's have been in payment since 2001, this policy supports the guidance issued by the DWP.
Finance	Low	DHP's are funded annually from Central Government, the fund has been well managed since 2001.
Profile	Medium	DHP's and welfare reform in general continue to attract national media interest.
Equality and Diversity	Low	An EIA questionnaire has been completed. A full EIA is not required. All applications are monitored to ensure that DHP's are fairly processed.

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A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.