



| |
|---------------------------|
| <u>Committee and Date</u> |
| Cabinet |
| 28 February 2018 |

Amendment to the Discretionary Housing Payment Policy

Responsible Officer Michele Leith

e-mail: Michele.leith@shropshire.gov.uk Tel: 01743 254402

1. Summary

- 1.1 This paper clarifies and updates the conditions of entitlement and other wording in Shropshire Council's Discretionary Housing Payment (DHP) policy.
- 1.2 DHPs are discretionary payments administered by local authorities on behalf of the Department for Work & Pensions who provide the funding. DHP's may be awarded as further financial assistance with rent and associated housing costs over and above any entitlement to Housing Benefit or the rent element within Universal Credit. Conditionality of DHP's is governed by the Discretionary Financial Assistance Regulations 2001 which define who is entitled, what might be paid and the circumstances under which this might be the case
- 1.3 This amendment reflects the new responsibilities placed on Local Authorities by the Homelessness Reduction Act whereby a duty of prevention may extend to eligible people with no connection to Shropshire and that there may be additional pressure on Shropshire's DHP fund as a result. The discretionary nature of the current scheme as operated now does not automatically exclude applications from people with no connection to Shropshire and whilst this may not change in practice the clarification is to show that the primary beneficiaries of the scheme are intended to be Shropshire Council area residents and those having a connection to Shropshire.
- 1.4 There are also minor changes to cover the introduction of Universal Credit which will increasingly take over from Housing Benefit in providing rent support for working age benefit recipients both in and out of work and which may also increase demand on the scheme.

2: Recommendations:

Members are respectfully requested to:

- A Consider and agree the changes to Shropshire Council's local DHP policy which clarifies that the local fund is primarily for use to support Shropshire residents and people with a connection to Shropshire.
- B Note and agree the revised policy wording covering the introduction of Universal Credit

3: Financial implications

- 3.1 The Department for Work & Pensions provides councils with an annual allocation of funds from which payments of DHP can be made. Any unspent money is returned to government by DWP. Local Authorities may at their own discretion top up the available money from their own funds.
- 3.2 The Homelessness Reduction Act which comes into force on 6 April 2018 places a new duty of prevention on authorities for all eligible applicants under threat of homelessness, irrespective of priority need status or intentionality. There is the potential for increased demand on the DHP fund as a result of this, in addition, other changes in the welfare system scheduled for 2018 including the increased roll out of Universal Credit are also expected to increase demand. Because of the discretionary nature of the scheme, decision makers are obliged to consider all of the facts of an application including a person's financial position, background and the level of hardship so that those in greatest need are assisted, this remains unchanged.

4 Background

- 4.1 Discretionary Housing Payments (DHP's) historically have been available only to those people entitled to Housing Benefit. However, with the roll out of the Universal Credit (UC), anyone having a rent element within their UC assessment will be eligible to apply for a DHP and this will include individuals and families both in work and out of work equating to a much larger audience and potentially much larger demand. The allocation of money to an individual authority is calculated by the Department for Work & Pensions and takes into account the size of the live load of Housing Benefit cases and the expected impact on residents caused by welfare reforms since 2013 such as removal of the spare room subsidy, the benefit cap and restrictions on Local Housing Allowance rates.
- 4.2 The expectation in most cases is that a DHP is not a long term solution to a restriction of benefit but is instead provides a financial "cushion" whilst the person makes the necessary changes to make their circumstances affordable. Longer term or even indefinite awards may be appropriate in other cases according to the individual circumstances. Shropshire's policy is operated in this way meaning that wider needs arising from historic welfare changes have been addressed. The

policy and application take into account the recommendations of the Discretionary Housing Payments (DHP) Task and Finish Group set up by the Performance Scrutiny Panel in 2014.

5 DHP Policy:

- 5.1 The current policy was agreed by Cabinet on 29 July 2015 and details how the council administers the Discretionary Housing Payment funding that it receives from the Government.
- 5.2 It explains who might qualify, what the fund can pay for, what it cannot pay for, the claiming process, the treatment of income and expenditure, the things we take into consideration when making our decisions, how awards are made and how disputed decisions are reviewed. It also explains how awards may be part of a wider help structure. Due to the discretionary nature of the scheme the policy avoids being proscriptive in order that all of the circumstances of an individual can be considered in the decision making process, this would be a natural consideration to anyone presenting as homeless in Shropshire.
- 5.3 An additional paragraph has been inserted (highlighted at page 6 of the policy) to reflect the required connection to Shropshire for those making applications. The policy wording has also been amended so that any reference to Housing Benefit contains an additional reference to Universal Credit to reflect its gradual take-over of help with rent for working age people.

6 Conclusions:

- 6.1 To help meet these future changes, a paragraph has been added to the Policy to clarify that the expectation is that Shropshire's funding allocation will be aimed primarily at those who are Shropshire residents or those with connections to the County. The discretionary nature of the scheme, however, means that in practice we would not automatically exclude those with no connection and that there may be mitigating circumstances where an award may be appropriate. Additionally, minor changes in the policy wording reflect the increased roll out of Universal Credit in Shropshire.
- 6.2 The original Equality and Social Inclusion Impact Assessment has been reviewed, there is no effect on those in protected characteristic groups as a result of these recommended changes.

| |
|--|
| List of Background Papers (This MUST be completed for all reports, but does |
|--|

not include items containing exempt or confidential information)

Draft Discretionary Housing Payments Scheme, item 44, Cabinet 29 July 2015

Discretionary Housing Payment Policy ESIIA 6 January 2015

Cabinet Member/Deputy (Portfolio Holder)

Steve Charmley, Portfolio Holder for Corporate Support

Local Member

All

Appendices

Discretionary Housing Payment Policy