



<u>Committee and Date</u>
Cabinet 20 th October 2021

<u>Item</u>
<u>Public</u>

DISCRETIONARY HOUSING PAYMENTS POLICY

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1. Synopsis

The Council administers an annual Discretionary Housing Payments (DHP) Grant from central Government. The grant provides financial support where there is a shortfall between a claimants Housing Benefit, or Housing Cost in Universal Credit, and their rent. It can also be used for rent in advance, deposits, removal costs and other housing costs. The Council policy was last reviewed in 2015. It is good practise for the policy to be reviewed periodically.

2. Executive Summary

- 2.1. The Council has responsibility to support housing benefit and universal credit claimants where there is a shortfall in their housing benefit, or housing cost, and rent via DHP payments.
- 2.2. The DHP grant for every local authority is set by central Government each year. In recent years the level of the grant that each Local Authority receives is dependent on the amount of grant that the Local Authority has spent in previous years.
- 2.3. The Council must have a policy against which grant applications can be assessed, and awards made. The Council policy broadly follows Department of Work and Pensions guidance and was last reviewed in 2015 and informs the application and verification process.
- 2.4. In 2017-18 Shropshire Council spent only 44% of its DHP grant. During 2019, full responsibility for administering the Councils DHP grant was moved to the Councils Revenues and Benefits Service. This has seen a marked improvement in the amount of DHP grant

spent, with 93% of the total DHP grant being spent in 2018-19 and 99% of the total DHP grant being spent in 2019-20 and 2020-21.

3. Recommendations

- 3.1. Approve the DHP policy with a commitment to review the policy to be undertaken every three years.

REPORT

4. Risk Assessment and Opportunities Appraisal

- 4.1. Shropshire Council could be challenged on its decision making in relation to applications for DHP if it does not have an up to date DHP policy in place. It is good practise for the policy to be reviewed periodically.
- 4.2. The DHP policy and administration of the grant must enable maximisation of DHP awards against total grant to ensure Shropshire Council maximises its grant allocation from the Government each year.
- 4.3. Failure to administer a policy to maximise DHP awards will have a negative impact on financial vulnerable residents and on the overall economy of Shropshire.

5. Financial Implications

- 5.1. The Council is allowed to spend up to 2.5 times the grant allocated each year by central Government, but any such overspend must be met by the Council. It is therefore important that the budget is managed carefully each year, to maximise expenditure within the grant, without committing to overspend.
- 5.2. Ensuring maximum expenditure against DHP grant allocation has become important to ensure maximum grant allocations in future years.
- 5.3. For 2021-22 grant allocation to those Local Authorities that had spent less than 85% of their 2020-21 grant will see their midyear allocation for 2021-22 reduced by either 20% if their spend was between 70% and 85%, or 40% if their spend was less than 70%.
- 5.4. The balance is redistributed to Local Authorities that had spent more than 95% of their grant for 2020-21. Shropshire Council spent 99% of the DHP grant for 2021-22 meaning that careful management of DHP fund in line with our DHP policy has resulted in Shropshire Council seeing an overall increase in its midyear allocation of an

estimated £14,000. This is additional money that can be used to support vulnerable residents in Shropshire.

6. Climate Change Appraisal

- 6.1. While there are no direct climate change impacts arising from this report the Revenues and Benefits Service is currently introducing an online application form for DHP applicants, meaning a reduction in paper and printing costs.

7. Background

- 7.1. Every Local Authority receives an annual fund from central Government to provide financial assistance to residents with housing costs to rented properties that cannot be met by Universal Credit or Housing Benefit. The grant award is amended to reflect any Welfare Reforms introduced by the Government.
- 7.2. The aim of the Council DHP policy is to provide consistency in decision making, maximise the annual DHP grant to provide support to the most vulnerable residents in Shropshire, and meet the aims of the DHP scheme set by central Government.
- 7.3. In the past two years, Shropshire Council has spent 99% of the DHP grant made available by Central Government.

8. Additional Information

- 8.1. Shropshire Council DHP grant allocation and expenditure over the past four financial years is detailed below.

Financial Year	DHP grant £	Shropshire Expenditure £	% expenditure of grant
2017-18	531,974	234,855	44.1%
2018-19	483,003	451,799	93.5%
2019-20	413,601	412,739	99.8%
2020-21	546,034	544,493	99.7%

9. Conclusions

- 9.1. Shropshire Council should continue to maximise expenditure of annual DHP grant in order to provide support to vulnerable residents as detailed in the attached policy.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

Gwilym Butler, Portfolio Holder for Resources

Local Member

N/A

Appendices

2021 Discretionary Housing Payments Policy