

## REPORT ON THE DRAFT DISCRETIONARY HOUSING PAYMENTS POLICY

### Responsible Officer

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### 1. Summary

- 1.1 The draft policy for the administration of Shropshire's Discretionary Housing Payments (DHP's) was presented to Cabinet on 11 February 2015 with the recommendation that, following a period of consultation and any necessary amendments resulting, the policy be brought back to Cabinet for approval.
- 1.2 The policy has also been subjected to scrutiny via the Performance Management Scrutiny Committee in June 2015. The minutes of this meeting have not yet been published but will show approval of the policy and the recommendation that it progresses to Cabinet.
- 1.3 DHPs are payments that can be awarded to help customers who face a shortfall between the Housing Benefit awarded to them to help with their rent and the actual amount of eligible rent for their property. DHP payments may also be awarded to help people who require help to raise deposits and/or rent in advance so that they secure a new tenancy
- 1.4. A small number of comments were received during the consultation period which included replies from Housing Association support workers and Voluntary and Community Sector workers, these have been summarised and appear at appendix D of this report. Significantly within this period there was also a High Court ruling on the treatment of disability income. Areas of the policy explaining the treatment of income have been rewritten to reflect the legal ruling and additionally, minor changes in wording have been made as a result of the consultation replies received.

### 2. Recommendations

- 2.1 Cabinet is requested to agree the Discretionary Housing Payments Policy.

## **REPORT**

### **3. Risk Assessment and Opportunities Appraisal**

- 3.1 The recent High Court ruling on the treatment of a person's Disability Living Allowance (and similar benefits paid to help with the extra costs of disability) held that such benefits cannot be included as available income when considering the money a person has available to meet any rent shortfall themselves. Shropshire's policy was immediately revised to reflect this ruling. The effect of this change is that more awards will be made to people with disabilities as higher disregards are applied to their incomes.
- 3.2 The requirement to disregard higher levels of income in some cases with the resulting additional spend that this creates means that the funding for DHP's will come under increasing pressure during the current financial year so increasing the possibility of overspending the limited financial allocation.
- 3.3 Close monitoring of the DHP budget on a monthly basis will aid financial control and will be supported by regular management checks on both expenditure and consistency of decision making. Senior staff with experience of discretionary decisions have been relocated to the administering team to provide additional guidance to staff. In this way we will continue to provide support for our most vulnerable citizens and provide challenge and holistic support for those who can be expected to make changes.
- 3.4 An Equalities and Social Inclusion Impact Assessment is attached to this report at appendix B. Given the purpose of DHP's and the Policy objectives, which include alleviating poverty and helping to protect the vulnerable, we expect that there will be an overall positive impact across the nine protected characteristics groups and on social inclusion.

### **4. Financial Implications**

- 4.1 The Department for Work & Pensions provides councils with an annual budget from which to reclaim the cost of any DHP awards made. Any unspent money is retained by the Department for Work & Pensions. Legally, overspend is allowed up to a limit which is set at 2.5 times the amount allocated however any such overspend must be met from within the council's own budget.
- 4.2 In previous years, Shropshire has underspent against our allocation and in the financial year 2014/15 we spent £302,000 on DHP awards. The funding across all Local Authorities for 2015/16 is less than previous years with the amount allocated to Shropshire being £325,939. There are signs of increasing pressure upon this DHP budget from external demands, including an increase in the demand from social sector housing providers for rent in advance

payments from those seeking new tenancies and the as yet untested effects of the new Universal Credit. The risk of potential overspend this is partly mitigated by strengthening the decision making process and by closer monthly financial monitoring.

## **5. Background**

- 5.1 Discretionary Housing Payments (DHP's) are only available to people who are entitled to Housing Benefit. Good practice guidance is produced by the Department for Work & Pensions for Local Authorities and this suggests that DHP's are expected to be awarded in unusual or extreme circumstances and where additional help with rent or housing costs will have a significant positive impact in alleviating hardship and avoiding deprivation. Local Authorities have discretion over how they administer these payments, how much is awarded and over what period and in the decision making process they adopt but there is a requirement that the latter be consistent and to conform to good decision making practice.
- 5.2 There have been changes within the Housing Benefit system to the property size criteria and resulting help with rent for those in social sector housing. In addition, there have further restrictions imposed on the allowable amount of private sector rents. Additionally, some working age people are affected by the benefit cap and recently other changes to Housing Benefit have restricted the amount of rent payable to most single people under 35. DHP's have existed for some time but are now having to adapt to meet these new pressures. In most cases DHP's are intended to be temporary payments and not a permanent solution to the effects of changes in the benefits system.
- 5.3 Administratively, in order to protect funding for those most in need, there is challenge built into the decision making process whereby the person applying may be required to address underlying issues that may contribute to their situation and to their inability to meet their outgoings. This might include challenging the person's choices over financial expenditure or in helping them to find more affordable property with an award of a DHP acting as a financial aid in the meantime. Support is provided via the Housing Support Officers or voluntary sector partners. This approach was fully endorsed by all those replying to the consultation.
- 5.4 The administration of DHP's was subject to scrutiny by the Performance Scrutiny Committee as a result of which a Task and Finish Group examined the administrative processes particularly where these have changed to provide for a more holistic approach to helping a person with any underlying difficulties. The draft policy takes into account the recommendations of that Task and Finish Group and reflects also their input into the consultation process. The full report of the Task & Finish group, including their response to the consultation, is included at appendix C of this report.

## 6. Conclusions

- 6.1 The resulting policy before Cabinet shows how the Council administers the Discretionary Housing Payment funding received from Government and it has been written as a transparent and comprehensive guide explaining what the fund can and cannot pay for, how a claim is made and the considerations applied in the decision making process as well as how a person might challenge a decision if they disagree with the outcome.

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

**Cabinet 11 February 2015:** item 19 –  
Report to Cabinet, Draft DHP Policy, (pages 981 –1024 of public reports pack)

**Cabinet Member (Portfolio Holder)**

Portfolio Holder for Resources, Finance and Support  
Councillor M Owen

**Local Member**

All

**Appendices**

Appendix A – The Discretionary Housing Payments (DHP) Draft Policy  
Appendix B – ESIIA for the DHP policy  
Appendix C – Performance Scrutiny Task & Finish Group consultation reply  
Appendix D – Summary of consultation replies