

Title: Discretionary Housing Payments
 Lead Officer: Andrea Wyatt (ext. 6831)
 Portfolio Holder: Councillor Jessica Harrison
 Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	23/11/2023	Cllr Harrison
Finance	17/11/2023	Andrew Rollins
Legal Services	N/A	
Chief Executive	17/11/2023	Chris Elliott
Director of Climate Change	23/11/2023	Dave Barber
Head of Service(s)	16/11/2023	David Elkington
Section 151 Officer	17/11/2023	Andrew Rollins
Monitoring Officer	23/11/2023	Graham Leach
Leadership Co-ordination Group	23/11/2023	
Final decision by this Committee or rec to another Cttee / Council?	Yes	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No/Yes, Forward Plan item – scheduled for (date)	
Accessibility Checked?	Yes/No	

Summary

To request additional funding of £50,000 to top up the Discretionary Housing Payment (DHP) fund.

Recommendation(s)

- (1) That cabinet agrees to release funding of £50,000 for Discretionary Housing Payments made by the Council to be met from the General Fund using Homelessness Grants for the current year.
 - (2) Cabinet agrees to consider an ongoing commitment of funding as part of the budget setting process to be met from the General Fund.
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1 Reasons for the Recommendation

1.1 Introduction

- 1.1.1 Discretionary Housing Payments (DHP) are payments made to residents who receive either Housing Benefit or the housing element of Universal Credit to help them pay their rent. Whilst the scheme is discretionary, the fund must be administered in accordance with The Discretionary Financial Assistance Regulations 2001 and the Department for Work and Pensions (DWP) Discretionary Housing Payments guidance manual.
- 1.1.2 The main criteria for eligibility is that the customer must have a shortfall between the benefit paid to help with their rent and the actual rent they have to pay. There are also a few exceptions where DHP can be considered in other circumstances.
- 1.1.3 Funding is provided twice yearly by the DWP and once the grant has been spent, no further DHPs can be awarded. Local Authorities can top up the DHP fund if deemed necessary by a maximum of two and a half times their original DWP allocation.
- 1.1.4 In previous years topping up has not been necessary and the budget has been managed well. However, DWP funding was significantly reduced for all Local Authorities at the start of the 2022/23 financial year and WDC's allocation decreased from £165,057 to £116,985. This resulted in the Council "topping up" the budget by £50,000.

1.2 2023/24

- 1.2.1 The DWP's contribution has remained at £116,985 in the current year.
- 1.2.2 The Council's caseload has not decreased and to date we have spent £83,815 with a further £13,318 committed in ongoing payments. This leaves a balance of just £19,852 for the remainder of the year.
- 1.2.3 Demand for DHP assistance is very high; rental costs have generally increased as have general living expenses. The benefits paid toward rental assistance have not kept pace and based on previous experience, we do not expect our DHP budget will be sufficient to reach the end of the financial year.

2 Alternative Options

- 2.1 The Council could stop providing further DHP support once our existing budget is exhausted. However, doing this could have significant negative consequences, including increased homelessness or forcing more people to choose between paying their rent or paying for heat and food. As we enter the winter period, where household running costs inevitably increase, ceasing DHP support could be devastating.
- 2.2 Simply stopping support was not considered an appropriate response.

3 Legal Implications

- 3.1 The Council has a statutory duty to provide shelter for those who are homeless and should DHP become unavailable, it is conceivable that more people will find themselves in this situation.

4 Financial Services

- 4.1 The funding of this proposal would be met from Homelessness Grants within the General Fund for 2022/23 and from the General Fund in future years.
- 4.2 It should also be considered that not providing further DHP support will simply shift costs elsewhere. It is conceivable that where DHP support is not forthcoming and evictions take place, the additional burdens of providing temporary accommodation would be significant and potentially outweigh the additional funding being requested.

5 Corporate Strategy

5.1 Creating vibrant, safe and healthy communities of the future

- 5.1.1 If the proposal is not agreed, it could have a direct impact of the mental and physical health of residents and their ability to remain safely within their homes and communities.
- 5.1.2 Tenants could use money allocated for food or utilities (such as gas or electricity) to fund the shortfall in their rent, but this would be directly detrimental to their health and wellbeing.
- 5.1.3 Residents could also borrow money to fund their shortfalls, but pushing people into potentially significant and unaffordable debt for essential expenses is not a sustainable prospect. Access to DHP funds can have a direct impact on reducing this risk.
- 5.1.4 We have multiple examples of where payment of DHP has prevented tenants from becoming homeless, providing vulnerable individuals with highly valued assistance and relief.

5.2 Firm Financial Footing over the Longer Term

- 5.2.1 We expect to see a rise in the number of tenants threatened with eviction as the cost-of-living crisis continues to be a problem across the district. This will ultimately increase homelessness across the district and providing temporary

accommodation is typically more expensive in the long term than providing limited DHP assistance.

5.2.2 To date, the Council has spent £453,771 funding temporary accommodation and the average cost per individual is £3,601.35. Not all of these costs are recovered from the DWP and in 2022/23, the cost to the general fund was £498,237.00.

5.2.3 Recognising that additional funding was also requested for 2022/23, it is likely that the contribution from the Government will continue to be insufficient to meet demand and therefore it would be prudent to include the additional funds for future years in the budget setting process.

6 Environmental/Climate Change Implications

6.1 No implications.

7 Analysis of the effects on Equality

7.1 This has not been completed as the request is to “top up” an existing fund. The fund must be administered in accordance with the Discretionary Financial Assistance Regulations.

8 Data Protection

8.1 No implications

9 Health and Wellbeing

9.1 This proposal has a direct impact on the health and wellbeing of vulnerable residents as outlined in section 4.

10 Risk Assessment

10.1 Funding Runs Out

10.1.1 The most significant risk is that without an additional top-up, funding to provide DHP assistance will be depleted, directly impacting on our ability to provide services to residents. These residents may then find themselves entering the Council’s other service streams for homelessness and temporary accommodation.

10.2 Temporary Accommodation Costs

10.2.1 If DHP funding is depleted and more residents find themselves facing homelessness, the cost of providing temporary accommodation will far exceed the requested top up amount. This is highlighted in section 4.2.

11 Background papers:

11.1 Cabinet Report – Discretionary Housing Payments, November 2022. [Available online](#) (checked 10/11/2023).