

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

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 from for Discretionary Housing Payments made by the Council to be met from The General Fund Reserve.
 - (2) That the current scheme is reviewed and the authority is delegated to the Head of Customer and Digital Services, in consultation with the Portfolio Holder, to agree a revised scheme.
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1 Background/Information

- 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.
- 1.2 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.
- 1.3 Funding is provided twice yearly by the DWP and once the grant has been spent, no further DHPs can be awarded. Local Authorities can also top up the DHP fund if deemed necessary by a maximum of two and a half times their original DWP allocation.
- 1.4 In previous years topping up has not been necessary and the budget has been managed well. However, DWP funding has been significantly reduced for all Local Authorities this year, with WDC's allocation decreasing from £165,057 last financial year to £116,985 this year.
- 1.5 The Council's caseload has not decreased and to date we have spent £75,166.30 with a further £14,791.56 committed in ongoing payments. This leaves a balance of £27,027.14. Appendix 1 shows a summary of payments made during the 2021/22 financial year. Based on this information and previous experience, we do not expect our DHP budget will be sufficient to reach the end of the financial year.

2 Alternative Options available to Cabinet

- 2.1.1 The Council could simply 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.
- 2.1.2 The reduction in DHP funding could not have come at a worse time for both those who need assistance or the Council; as we face our own financial challenges. However, with the cost of living increasing massively and as we enter the winter period, simply stopping support was not considered an appropriate response.

3 Consultation and Member's comments

- 3.1 The portfolio holder for Customer and Digital Services has been consulted regarding this report.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

- 4.1.1 None

4.2 Financial

- 4.2.1 The funding of this proposal would need to be met from the general fund.
- 4.2.2 It should also be considered that not providing further DHP support could simply shift costs elsewhere. 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. The additional burdens of providing temporary accommodation could be significant.

4.3 Council Plan

- 4.3.1 If the proposal is not agreed it could have a direct impact of the health and wellbeing of residents within our community.

4.4 Environmental/Climate Change Implications

- 4.4.1 None

4.5 Analysis of the effects on Equality

- 4.5.1 An EIA has not been undertaken, there are no proposals to change the DHP policy.

4.6 Data Protection

- 4.6.1 None

4.7 Health and Wellbeing

- 4.7.1 This is part of the Council's plan to assist with the cost of living crisis, we know that payment of DHP has prevented tenants from becoming homeless through not being able to afford to pay their rent and as the cost-of-living crisis continues, we expect to see a rise in the number of tenants threatened with eviction, which could ultimately increase homelessness across the district.
- 4.7.2 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.
- 4.7.3 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 Risk Assessment

5.1 Two significant risks exist at this stage

- a) Top up funding is not agreed and additional DHP awards are not possible.
- b) Top up funding is agreed for this year, but DWP funding for next year is not sufficient for our caseload, resulting in further future requests.

6 Conclusion / Reason for the Recommendation

6.1 This report requests additional funding of £50,000 to top up the DHP fund.

6.2 The DWP has significantly reduced the DHP grant this year by £48,072 from the previous financial year. This means there is less money available to help some of the most vulnerable residents in our community pay their rent and this could lead to them facing homelessness.

6.3 The Council should also review its DHP policy before the new financial year commences.

6.4 With DWP reductions to the DHP grant unlikely to be revised and the Council's limited fiscal ability to fund long term DHP top-ups, a revision of the policy may be necessary. This should be carried out as soon as possible so that any potential impacts can be understood and, if necessary, any affected individuals given notice at the earliest opportunity.

7 Background papers

7.1 All documents referred to are published documents.

8 Supporting documents

8.1 Discretionary Housing Payment Contributions FYE 2023:

<https://www.gov.uk/government/publications/housing-benefit-subsidy-circulars-2022/s12022-discretionary-housing-payment-government-contribution-for-english-and-welsh-local-authorities-for-financial-year-ending-march-2023> (accessed 05/10/2022)

8.2 Discretionary Housing Payment Contributions FYE 2022:

<https://www.gov.uk/government/publications/housing-benefit-subsidy-circulars-2021/s102021-mid-year-discretionary-housing-payments-government-contribution-for-english-and-welsh-local-authorities-for-the-financial-year-ending-march> (accessed 05/10/2022)

8.3. The Discretionary Financial Assistance Regulations 2001:

<https://www.legislation.gov.uk/uksi/2001/1167/contents/made>
(accessed 05/10/2022)

8.4 Discretionary Housing Payments guidance manual:

<https://www.gov.uk/government/publications/discretionary-housing-payments->

[guidance-manual/discretionary-housing-payments-guidance-manual](#)

(accessed 05/10/2022)

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	3 rd November 2022	
Title of report	Discretionary Housing Payments	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)		
Portfolio Holder WDC	05/10/22	
Financial Services *	07/10/22	Budgetary information
Legal Services *		N/A
Other Services		N/A
Chief Executive(s)	06/10/22	Amendment to recommendations
Head of Service(s)	05/10/22	Amendment to wording of report
Section 151 Officer	07/10/22	Budgetary information
Monitoring Officer	06/10/22	Amendment to recommendations
CMT (WDC)		
Leadership Co-ordination Group (WDC)		
Other organisations		
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to :Cabinet / CouncilCommittee
Contrary to Policy/Budget framework		No/Yes
Does this report contain exempt info/Confidential? If so, which paragraph(s)?		No/Yes, Paragraphs :
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?		File/Info/Inspect Document/Check Accessibility