

REPORT TITLE: REVISION AND UPDATE OF DISCRETIONARY HOUSING
PAYMENT POLICY

11 MARCH 2020

REPORT OF CABINET MEMBER: Cllr Neil Cutler, Deputy Leader and Cabinet
Member of Finance and Risk

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WARD(S): ALL

PURPOSE

Discretionary Housing Payments (DHP's) are awarded to people who are entitled to either Housing Benefit, or the housing cost element of Universal Credit, when they require further financial assistance with their housing costs.

The current policy restricts payment on some claims despite legislation allowing for those payments. The revised policy removes restrictions, and some unnecessary criteria, which are not required for the determination of a DHP. Also, the payment of DHP to help with rent arrears is clarified.

RECOMMENDATIONS:

That the proposed Discretionary Housing Payment policy (2020) policy be approved as set out in Appendix A.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 This report supports the Council Plan priority of “Homes for all”. DHPs provide additional support to Housing Benefit claimants, or those claiming the housing cost element of Universal Credit, who require further financial assistance to secure or maintain affordable accommodation.

2 FINANCIAL IMPLICATIONS

- 2.1 DHP is funded by the Department for Work & Pensions (DWP). The DHP budget is carefully monitored throughout the year to ensure the funding is used in the most effective way.
- 2.2 The City Council is able to supplement funding directly from the Housing Revenue Account and has made provision in the last two years for this.

	DHP granted £	WCC top-up available £	DHP spent * £	HB caseload	DHPs awarded	DHP ** applicants
2018/19	138,880	100,000	173,061	4388	280	231
2019/20 (to date)	133,087	50,000	112,239	3886	173	151

* includes DHP spent from the top-up

** applicants can receive multiple awards and these figures do not include refusals.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Where a claimant is eligible for Housing Benefit or Housing Element of Universal Credit but experiences a shortfall between the rent due and the benefit payable e.g. because they live in a property that is deemed to be too large for their needs, or the rent charged is higher than the Local Housing Allowance rate, they can apply to the local authority for a Discretionary Housing Payment (DHP).
- 3.2 The Discretionary Financial Assistance Regulations 2001, as amended, provide local authorities with the power and framework to make discretionary payments to benefit recipients that need further financial assistance. There is no obligation on authorities to pay DHPs. The Department for Work and Pensions (DWP) has issued guidance for authorities updated in March 2018 but the method of allocation adopted and decision making process lies with local authorities.
- 3.3 The policy setting out how the council will consider applications for DHP will ensure transparency and consistency of decision making.

4 WORKFORCE IMPLICATIONS

- 4.1 DHP is administered by the Benefits & Welfare team without the requirement of further resources.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND COMMUNICATION

- 6.1 The Deputy Leader and Cabinet Member of Finance and Risk have been consulted on the changes in this policy.
- 6.2 The report was presented at the Business and Housing Policy Committee on 11th February. At the invitation of the Chairperson, representatives of TACT addressed the Committee. The representatives welcomed the report and asked whether the payment was a grant or a loan (it was clarified by the officers that it was a grant); whether it was short term assistance (assistance was predominantly short term but could also be long term, and examples of types of assistance were provided); what merited 'exceptional circumstances' (examples were provided with each case evaluated on its own merits) and whether records were kept of the reasons for declining assistance (applicants had been declined as they did not meet the criteria of the scheme rather than through a shortage of finance).
- 6.3 The Committee also asked questions and raised comments which were responded to by officers and by the Deputy Leader and Cabinet Member for Finance and Risk. At the conclusion of questions and debate, the Committee agreed that there were no particular matters that it wished to raise for Cabinet to further consider. It commended the report and the intention of the policy to be clearer and less restrictive for applicants. It resolved that the content of the presentation be received and the comments of the committee be noted.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 The council, in the exercise of all its functions, must have due regard to the public sector equality duty in section 149 Equality Act 2010. When making a decision on the recommendation in this report, it is important to have due regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) to advance equality of opportunity and (c) foster good relations between persons

who share a relevant protected characteristic and those who do not share it.

- 8.2 The changes made in this policy are designed to ensure that all applicants are treated fairly, reasonably and consistently. One of the enhancements to the revised policy was to add an equalities statement to this effect.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required.

10 RISK MANAGEMENT

- 10.1 Any risk connected to the changes in the revised policy has been considered and detailed below:

Risk	Mitigation	Opportunities
<i>Property</i>		
<i>Community Support</i>	N/A	N/A
<i>Timescales</i>	N/A	N/A
<i>Project capacity</i>	N/A	N/A
<i>Financial / VfM</i>	It is proposed that the Council will manage the DHP spend with an additional top-up from the Council's budget. Regular monitoring of spend and top-up is carried out.	The legislation provides for the utilisation of other funding from the Council which is designed to support residents vulnerable to housing or financial pressures.
<i>Legal</i>	The Policy enables greater transparency and clarity around the application of legislation designed to assist residents.	The council has the ability through the policy to make use of flexible legislation and provide real assistance.
<i>Innovation</i>	N/A	
<i>Reputation</i>	The Council reporting will ensure that those most vulnerable to welfare change are prioritised and supported.	The Council has the ability through the Policy to deliver real change outcomes for vulnerable residents.
<i>Other</i>	N/A	N/A

11 SUPPORTING INFORMATION:

11.1 Background

DHPs are made from a cash limited budget provided by the DWP on an annual basis. This budget can be topped up by the council using its own funds.

There is a range of financial and welfare support available to meet a variety of different circumstances and the needs of low-income households. The DHP fund is designed to provide support to secure affordable accommodation in exceptional circumstances affecting a claimant's ability to meet their rent liability. The majority of the awards are short-term to allow time for the household to obtain further advice and make changes to their circumstances which will achieve longer term financial sustainability. This can be at their current home or assist them to find alternative accommodation which is affordable within the Housing Benefit or Universal Credit schemes.

The policy also acknowledges that there are some circumstances, for example, where a property has undergone disabled adaptations, which are longer term and financial support with housing costs is required for those households.

DHPs can be awarded where an applicant has an ongoing shortfall between their Housing Benefit, or their housing cost element of Universal Credit, and their rent. Also, lump sum DHPs can be awarded to help with one-off housing costs. For example, rent deposit, rent in advance, removal costs or other lump sum expenditure for household items that are essential to enable the property to be used as a home, such as carpets, beds, fridges, freezers etc.

The DHP policy is based on legislative requirements and takes into consideration the DWP's 'Guidance Manual and Good Practice Guide'.

Each DHP case will be treated strictly on its own merits and all customers will be treated fairly, reasonably and consistently.

11.2 Details of Proposal

The new policy has been re-written and reordered. There are numerous small changes that have been made to correct typos, grammatical errors and small points of clarification. The most significant changes which have been made are listed as follows:

1. Qualifying criteria has been reduced which will improve on the currently restrictive nature of the policy. Applicants will only be required to meet the legislative criteria of being entitled to Housing Benefit, or the housing cost element of Universal Credit, and need further financial assistance with their housing costs. Previously, applicants were also required to meet other criteria, such as:
 - a. Primary qualifying criteria
 - i. Currently, where an applicant has previously received a DHP, specifically for rent in advance, deposits or removal costs, then this would be taken into consideration in any

future claims. However, the revised policy will no longer have a 2 year restriction on reclaiming DHP. This has been removed to allow more flexibility in awarding DHP, dependant on individual circumstances.

- ii. The criteria that 'Households must not be able to obtain funds from elsewhere' has been replaced with 'applications for DHP should only be made as a last resort'. Awards will be made where the household demonstrates exceptional circumstances which can only be alleviated by additional financial support from the fund and no alternative solution exists.
 - iii. Advice to applicants/partner that they must be willing to adhere to opportunities for support, including engagement with the Council's Housing Needs Services, the Winchester Supporting Families programme and the back-to-work initiatives has been amended to suggest that all claimants should seek independent guidance from the Citizens Advice, or other similar agencies, to assist with improving their personal circumstances and maximising their income.
- b. Secondary qualifying criteria has been removed as it was superfluous to the DWP's Guidance Manual which already provides a list of circumstances for the Council to consider when dealing with a DHP application.
- c. The current policy describes all rent arrears as ineligible. This has been clarified to confirm that DHP can not be used to pay rent arrears for periods where there is no entitlement to Housing Benefit or the housing cost element of Universal Credit. DHP can be paid for a previous period in order to top up the difference between the eligible rent and Housing Benefit or the housing cost element of Universal Credit.
- d. The new policy will allow the council, to top up the DHP budget up to a maximum of 2.5 times the government contribution. At present the council has agreed £50,000 can be used to top up the 2019/20 DHP fund if required.
- e. The requirement to purchase goods through the council procurement process has been removed. Where the procurement process applies officers will always follow the Council's Contract Procedure Rules. However, in most circumstances purchases are small, one-off costs.
- f. The requirement to pay removal costs directly to a removal company has been deleted. The chosen method of payment will be based on the individual's circumstances and payment will be

made to the most appropriate person in the best interests of the applicant.

- g. The policy has been revised to emphasise that where fraud may have occurred, the matter will be investigated as appropriate and this may lead to legal action being taken against the person who made the claim for DHP.
- h. The disputes process has been updated to align with the current structure of the Benefits and Welfare team. An equalities statement has been introduced ensuring that all people are treated with respect and dignity.

11.3 **Conclusion**

The regulations give Local Authorities broad discretion on awarding DHPs. In order to act “fairly, reasonably and consistently” in considering a DHP application, and make a decision in each case based on its own merits, a flexible policy is required. This report seeks to simplify and improve on the previous policy from an operational point of view and will ensure the Council's decisions in this area are not open to criticism or complaint.

12 **OTHER OPTIONS CONSIDERED AND REJECTED**

- 12.1 To retain the existing DHP Policy. This was rejected in order to streamline the criteria necessary for considering an award in the DHP administration process. The current policy contains the requirement to meet unnecessary criteria and prevents the Council from topping up the DHP fund, despite legislation allowing this.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB2909, Discretionary Housing Payment Policy, 26 April 2017

Other Background Documents:-

DHP Legislation

DHP Guidance Manual & Good Practice Guide

APPENDICES:

Appendix A - Proposed DHP Policy (2020)

Appendix B - Previous DHP Policy (2017)