

**Committee: Cabinet**

**Agenda Item**

**Date: 26 March 2013**

**9**

**Title: Discretionary Housing Payments Policy**

**Portfolio Holder: Councillor Robert Chambers**

**Key decision: Yes**

---

## **Summary**

1. Discretionary Housing Payments (DHP) are used by local authorities to give temporary financial support, supplementing an existing Housing Benefit entitlement, to people living in rented accommodation who are struggling to pay their rent. DHP is an important tool to minimise homelessness and extreme financial hardship.
2. As at 28 February 2013, UDC has 3,471 tenant households qualifying for Housing Benefit. Inevitably a small proportion of such households will experience unavoidable changes in their circumstances that affect their ability to pay their rent.
3. Approximately 300 tenant households will receive reductions in their Housing Benefit as a result of size criteria restrictions, the average reduction being £15 per week. Around 10 households will be affected by the Benefits Cap, by between £10 and £150 per week. Such changes are likely to generate demand for DHP.
4. DHP are administered locally (by UDC) and funded by Central Government with a cash limited sum allocated each year. Because of Housing Benefit reductions taking effect from April 2013, the Government anticipates that there will be additional need for DHP support. Accordingly the funding has been increased, from £49,000 in 2012/13, to £100,000 in 2013/14. Demand has potential to outstrip even this larger sum.
5. In view of this, it is timely to refresh the Council's policy on the payment of DHP, in order to ensure that the finite amount of funding is targeted at households in greatest need, and to ensure that the Council can demonstrate fair and consistent treatment. The policy recommended for approval by Cabinet is attached to this report, to apply with effect from 1 April.
6. DWP has reissued its DHP guidance manual, and the proposed policy incorporates the best practice guidance contained therein.
7. It is emphasised that DHP is a finite resource to provide temporary support to higher need tenants in acute difficulty. Not all tenants that are struggling will qualify for DHP support. It is extremely important that Members, Officers and partner agencies such as CAB take care not to raise expectations regarding DHP entitlement, or downplay the tenants' own responsibility to be taking all reasonable steps to improve their circumstances.

## Recommendations

8. The Cabinet is recommended to approve the Discretionary Housing Payments Policy as set out in this report.

## Financial Implications

9. The available Government funding in 2013/14 is £100,000. It will be necessary to closely monitor DHP expenditure to identify at an early stage to what extent the policy is consistent with the funding available, or whether adjustment is required.
10. The Council has an earmarked reserve of £100,000 (“Hardship Fund”) which was established to alleviate homelessness issues. It can therefore be drawn upon to supplement DHP funding provided by Government. However this is one off money, so DHP expenditure must be managed in a sustainable way. Use of Hardship Fund money should be reserved for only the most extreme cases.
11. It is also necessary to consider that the Government policy is to reduce the cost of Housing Benefit, and local authorities are expected to implement this. The reforms taking effect in April are estimated to reduce housing benefits expenditure in Uttlesford by around £250,000. In public expenditure terms, it achieves little if housing benefit reductions end up being substantially offset by higher levels of DHP expenditure.
12. That said, DHP if used effectively not only alleviates hardship in vulnerable households, but also can reduce costs falling upon the public purse e.g. homelessness services.

## Background Papers

None.

## Other documents referred to by the report author

DWP Discretionary Housing Payments Guidance Manual, including Local Authority Good Practice Guide

## Impact

Communication/Consultation	Officers will shortly meet with CAB to explain the policy and discuss ways to manage expectations.
Community Safety	No specific implications.
Equalities	An Equalities Impact Assessment is attached.
Health and Safety	No specific implications.
Human Rights/Legal Implications	No specific implications.

Sustainability	No specific implications.
Ward-specific impacts	None.
Workforce/Workplace	Additional demands on the Benefits service.

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Eligible DHP demand outstrips funding	2 (increased demand is expected however the available funding has more than doubled)	2 (either more funding will be needed, or the policy amended)	Monitor trends Hardship Fund Refine policy
Appeals and complaints from people ineligible to receive DHP	4 (inevitably not all DHP applicants will be eligible, appeals and complaints will ensue)	2 (workload impact dealing with appeals and complaints)	Manage expectations Apply policy consistently
DWP funding for DHP reduces in future years	3 (Government policy is to reduce the cost of welfare)	2 (either more funding will be needed, or the policy amended)	Review policy if required

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.