

**REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 28TH JULY 2020
AGENDA ITEM 5**

DISCRETIONARY HOUSING PAYMENTS POLICY

Report of:	David Gray - Resident Support Lead Specialist dgray@tandridge.gov.uk - 01883 732923
Purpose of report:	To provide Members with an update on recent expenditure from the Discretionary Housing Payments (DHP) budget and to seek approval for an updated policy for the administration of these payments.
Publication status:	Unrestricted
Recommendations:	That, in accordance with its delegated powers, the Committee resolves that: A. the current position regarding Discretionary Housing Payment applications and payments be noted; and B. the updated policy attached at Appendix A be adopted and approved for publication.
Appendices:	Appendix A – proposed Discretionary Housing Payment policy
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

- 1.1 Discretionary Housing Payments (DHPs) are intended to provide Housing Benefit claimants with further financial assistance in situations where a local authority considers that additional help with housing costs is required. This may include situations where a claimant is affected by one or more of the welfare reform measures, meaning that the benefits they receive are insufficient to cover their housing costs even after Housing Benefit or the housing costs element of Universal Credit has been awarded.
- 1.2 The Discretionary Financial Assistance Regulations 2001 (SI 2001/1167) as amended by the Discretionary Financial Assistance (Amendment) Regulations 2008 SI 2008/637 provide a statutory framework for the administration of DHPs. However, these regulations provide very broad discretion in respect of how these payments should be administered. Further, local authorities have a duty to act fairly, reasonably and consistently. Each case must be considered on its own merits, and the decision-making should be consistent throughout the financial year, regardless of budgetary

constraints. The Council's current policy was approved by this Committee at its meeting on 26 March 2015.

1.3 The amount of DHP that a council can provide in a financial year is cash limited by the Secretary of State. Each council receives a grant from the Government that funds part of this amount and has the option to pay over and above this amount, up to a maximum of two and a half times the grant allocation. However, any additional funding on this basis would have to be made from the Council's own finances.

1.4 Any underspend in DHP below the level of grant received is known to have an adverse effect on the allocation of future grants. It is, therefore, essential to carefully balance the risk of underspending the grant allocation versus any overspend that results in a contribution from the Council's own funds. Rigorous budget monitoring is crucial to managing the risks involved.

2. Expenditure

2.1 The likelihood of an increased demand on DHPs to assist households affected by welfare reform changes made to the National Benefits System, which began in 2013, was recognised by the Government. As a result, there was a significant increase in DHP allocations from 2013/14 onwards.

2.2 With the exception of 2015/16 when the grant allocation reduced by 37.5% from the previous year, grants have stayed at these post-2013 higher levels, although they have reduced slightly year on year since the peak year of 2017/18.

2.3 On 16th March 2020 the Council's DHP allocation for 2020/21 was confirmed by DWP as being £190,960, an increase of 30% on the previous year. In view of the likely financial impact of the COVID-19 pandemic on many households, this increase is welcomed.

2.4 The Government has, previously, made it clear that DHPs are not intended to replace lost benefits but to provide, instead, extra resources that local authorities can use to assist those most affected by the changes to adjust to a long term, sustainable and affordable approach.

2.5 The table below shows the amount of grant received in recent years, the total permitted spend that the Council could make in each year and the actual level of expenditure.

TDC Discretionary Housing Payment Grant since 2015/16

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Government Contribution	£67,609	£104,880	£165,669	£159,588	£146,009	£190,960
Permitted total	£169,023	£262,200	£414,173	£398,970	£365,024	£477,400
Expenditure	£69,162	£103,362	£165,576	£161,895	£141,709	
TDC contribution	£1,5553	£0	£0	£2,307	£0	

- 2.6 It is evident that, in most years, actual spend has been very closely aligned to the level of grant received, meaning that, either it has been unnecessary for any contribution to be made from the Council's own resources or the contribution required has been minimal. The only exception to this was 2015/16, when in anticipation of a likely overspend, due to the significant reduction in its grant allocation, the Council set a budget of £95,000 for the year. This allowed some headroom for expenditure above the level of grant. In the end, very little of this additional budget was required.
- 2.7 The table below shows a summary of all claims received in recent years, up to the end of 2019/20.

DHP Activity since 2016/17

	2016/17	2017/18	2018/19	2019/20
No. of applications received	183	217	261	187
No of grants awarded	113	182	194	119
Proportion of awards approved	62%	84%	74%	63.6%
Expenditure	£103,362	£165,576	£161,895	£129,994
Average Award	£914.71	£909.76	£834.51	£1092.38

3. Discretionary Housing Payments Policy

- 3.1 The Council's current Policy was approved by this Committee at its meeting on 26 March 2015. A number of changes were made to the Policy at that time, as a result of a recognition that demand on the budget was likely to continue to increase as further welfare reform measures were implemented.
- 3.2 It is evident that, since then, these changes have been effective in ensuring that the Council's use of DHP is able to support those who most need financial assistance while ensuring that any burden on the Council's own finances is kept to a minimum.
- 3.3 The changes made in 2015 have been consolidated within the Policy that has been brought to this Committee for approval, which is at Appendix A. In effect, the content of the Policy varies minimally from the current policy. However, a number of changes to the layout and format have been made.

4. Financial / risk implications

- 4.1 Given the demands on the General Fund and the need to find savings in future years to balance the funding gap in the Medium Term Financial Strategy it is not recommended that any significant expenditure above the DHP grant allocation is made
- 4.2 When HRA tenants apply for and are successful in their application for DHP grant this is beneficial for the HRA as the payment of the grant towards housing costs can stop arrears from forming or reduce the level of arrears.

5. Legal implications

- 5.1 The Council's practices, in relation to the allocation of DHP payments, are in line with its legal duties. The Council is not obliged to contribute any *de minimus* levels from its own resources.
- 5.2 As the new Policy does not contain any material amendments, there are no legal implications. However, the Council is adhering to best practice by reviewing this and keeping it up-to-date

6. Equality impacts

- 6.1 Consideration of impacts under the Public-Sector Equality Duty are as follows:

Questions	Answer	
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	No	<i>The provision of affordable housing, which in this case is aimed at vulnerable households is supportive of the Council's equality objectives</i>
What steps can be taken to mitigate any potential negative impact referred to above?	'not applicable'	

7. Data Protection impacts

Following the completion of a Data Protection Impact Assessment, consideration of potential data protection implications arising from this report are as follows:

Questions	Answer
Do the proposals within this report have the potential to contravene the Council's Privacy Notice?	No
Is so, what steps will be taken to mitigate the risks referred to above?	

8. Climate Change Implications

- 8.1 It is not considered that this report contains any proposals that will significantly impact the Council's ability to take action on climate change and hit its target of net zero carbon by 2030.

9. Conclusion

- 9.1 Members are asked to note the contents of this report and to approve the updated Discretionary Housing Payments Policy for adoption from 1 August 2020.

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