

Cabinet Meeting

22 March 2017

Report title	Review of Discretionary Housing Payment Policy	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Mark Taylor, Director of Finance	
Originating service	Revenues and Benefits	
Accountable employee(s)	Sue Martin Tel Email	Head of Revenues and Benefits 01902 554772 sue.martin@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	28 February 2017

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Approve the Discretionary Housing Payment policy

1.0 Purpose

- 1.1. To seek approval from Cabinet to a revised local policy for the award of Discretionary Housing Payments. The policy seeks to improve outcomes for vulnerable people by providing financial assistance with housing costs and preventing homelessness whenever practicable. The policy is attached as appendix 1.

2.0 Background

- 2.1. Discretionary Housing Payments were first introduced by Government in July 2001 in order to give extra assistance to recipients of Housing Benefit experiencing financial hardship. A Discretionary Housing Payment can cover rent liability and/or other 'housing costs' such as rent deposits, rent in advance and removal costs.
- 2.2. Each year the Department for Work and Pensions allocates grant to Wolverhampton from a national pot. Awards up to the allocation are fully reimbursed. The Council may, from its own funds, make awards up to 2.5 times the value of the Government allocation.
- 2.3. The Department for Work and Pensions periodically publishes guidance on making awards, the most recent in December 2016, though there are few rules. An absolute requirement however, is that in order to receive a Discretionary Housing Payment there must be an entitlement to Housing Benefit or the housing costs element of Universal Credit.
- 2.4. The following table shows grant funding and actual spend on Discretionary Housing Payments over the last four years and the recently announced grant for 2017/18.

	Government Allocation £000	Maximum top-up from General Fund £000	Value of awards £000
2013/14	634	951	588
2014/15	802	1,203	804
2015/16	685	1,028	685
2016/17	807	1,211	750 (at 03/03 2017)
2017/18	1,063	1,594	

3.0 Policy review

- 3.1. Over recent years, welfare reform changes and consequential reductions in benefit payments have created an increased demand for financial assistance. The changes creating the biggest impact have been the restriction of Local Housing Allowance rates, removal of the 'spare room subsidy' (commonly known as the bedroom tax) and the benefit cap.

- 3.2. The Government has recognised this through increasing the funding available under the Discretionary Housing Payment scheme. National funding in 2016/17 was £150 million (an increase of £130 million from 2010). The funding is made of of four main components:
- core funding (13%)
 - Local Housing Allowance reforms (20%)
 - removal of the spare room subsidy (40%)
 - benefit cap (27%)
- 3.3. A review of the local policy was carried out to ensure that Discretionary Housing Payment awards support corporate objectives and incorporate latest guidance, good practice and case law. The draft policy also seeks to ensure the council's spending on Discretionary Housing Payments will not exceed the funding available, whilst preserving the core aims of an award which is to safeguard vulnerable people and prevent homelessness whenever practicable.
- 3.4. Partners and colleagues were consulted as part of the review including Wolverhampton Homes, Welfare Rights, Housing Options, Citizens Advice, Christians Against Poverty, Better off in Wolverhampton and housing providers. Feedback from the consultation was used to refine both the proposed policy and operational arrangements.
- 3.5. Whilst legislation permits significant discretion in the administration of Discretionary Housing Payments, the policy outlines the key considerations when dealing with an application, including:
- the shortfall between Housing Benefit and the rental liability
 - any steps taken by the customer to reduce their rental liability
 - the financial and medical circumstances (including ill health and disabilities) of the customer, his or her partner, any dependants and any other occupants of the customer's home
 - the level of indebtedness of the customer and their family
 - the exceptional nature of the customer and their family's circumstances
 - the amount available in the Discretionary Housing Payment budget at the time of the application
 - the possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation.
- 3.6. The policy is intended to contribute to the following outcomes:
- to alleviate hardship
 - to support vulnerable young people in the transition to adult life
 - to assist people in obtaining or sustaining employment
 - to help sustain tenancies and prevent homelessness
 - to keep families together
 - to support vulnerable residents in the local community
 - to help people through family crises or difficult life events.

3.7. The main changes to the policy are:

- putting a greater emphasis on successful applicants making some financial contribution to the shortfall between Housing Benefit and rent;
- use of 'step down' awards where the amount reduces in phases over the award period
- inclusion of awards to cover rent deposits, rent in advance and removal costs.

4.0 Financial implications

4.1. The approach to date has generally been to maintain Discretionary Housing Payment expenditure within the level of the Government contribution, whilst seeking to minimise the amount of unspent grant paid in advance that has to be returned each year. There is no cost to the Council unless the value of awards exceeds the amount of the government contribution. It is recommended that this approach continues given the significant financial pressures facing the Council.

[GE/15022017/H]

5.0 Legal implications

5.1. The legislation governing the Discretionary Housing Payment scheme can be found in the Discretionary Financial Assistance Regulations 2001 (SI 2001 / 1167) and subsequent amendment regulations. These regulations allow Councils a wide discretion to determine the basis of their own schemes. The policy has been drawn up in accordance with these regulations.

[RP/21022017/U]

6.0 Equalities implications

6.1. A full equality analysis has been carried out in support of the development of this policy.

6.2. Legislation dictates who can be considered for a Discretionary Housing Payment and the analysis does not address these issues as these fall to Government, however the council policy described here aims to ensure that where there is eligibility, support is offered equally and does not favour one group over another. An action to monitor regularly the equality breakdown of those supported or otherwise by the by the new policy is included in the equality analysis.

7.0 Environmental implications

7.1. None.

8.0 Human resources implications

8.1. None.

9.0 Corporate landlord implications

9.1. None.

10.0 Schedule of background papers

- 10.1 Department for Work and Pensions - Discretionary Housing Payments Guidance Manual (2016)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/576787/discretionary-housing-payments-guide.pdf