

Review of Discretionary Housing Payments Policy

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Purpose of the Report

1. *To request that the District Executive approve the revised Discretionary Housing Payment Policy*

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 2 March 2017.

Public Interest

3. Discretionary Housing Payments (DHPs) were introduced in 2001 and are designed to provide additional support towards housing costs. Generally this is to help top up the difference between Housing Benefit (HB) entitlement and the rent charged. Government funding for DHP's has increased in recent years to mitigate some of the impact of the Welfare Reform programme.
4. Universal Credit was introduced in part of South Somerset in October 2016 and will be rolled-out across the rest of the district in April 2017. Universal Credit, which applies only to working age people, replaces six benefits including Housing Benefit. Universal Credit recipients who have a housing cost element can apply to the Council for a Discretionary Housing Payment for additional help with their housing costs.

Recommendations

5. The District Executive is requested to:
 - a) approve the revised Discretionary Housing Payment Policy to come in to effect on 1 April 2017;
 - b) Note the Discretionary Housing Payment Policy Overview and Scrutiny Committee Task and Finish Group findings and recommendations for the policy revision attached at Appendix A

Background

6. Discretionary Housing Payments (DHPs) were introduced in 2001 and are designed to provide additional support towards housing costs. DHP funding was increased from 2011/12 to 2013/14 to assist with the transition of claimants into the new welfare entitlement that resulted from the Housing Benefit (HB) related welfare reforms.
7. In 2014/15 and 2015/16 funding levels reduced in line with the transitional nature of the additional funding and as claimants adjusted to the reforms.
8. To help councils manage the impact of the HB reforms announced in the Summer Budget 2015, the overall DHP funding is £150 million for 2016/17. This is an increase of £25 million

(20%) compared to 2015/16 funding. This comprises of funding for four separate areas of support; Core funding, Local Housing Allowance (LHA), Removal of the Spare Room Subsidy (RSRS) and changes to the overall Benefit Cap threshold.

9. The distribution of the DHP funding is based on the estimated effect of each element on individual councils.

Funding DHP's

10. Each year the Government determines how much it will allocate to each council to contribute to the cost of DHP awards. Councils can top up this funding from its own financial resources up to a maximum of 2.5 times the Government grant.
11. For the current financial year 2016/17 the Government grant for South Somerset D.C. is £217,432. The Council can top this up by a maximum of £326,147, taking the overall possible spend limit to £543,578.
12. The DHP funding information for 2017/18 has not yet been announced by DWP.

DHP application decision making

13. Benefit Officers generally make awards based on assessing income and expenditure, but also have the ability to exercise discretion to take into account other factors, for example pregnancy or property adaptation requirements.
14. In line with the regulations and guidance, each application received is judged on its own merits in terms of whether to make an award, the level of award and the duration of the award.
15. One of the key objectives of the policy review was to provide a framework for judging the reasonableness of a range of expenditure elements taking into account certain factors such as household make up and health issues, while retaining discretion to deviate from the framework where appropriate to take account of individual circumstances.
16. The work carried out as part of this review and the resulting policy amendments will support officers in making decisions that are more consistent, introduces some objectivity in assessing the applications while recognising there is also a subjective element to the decision making.

Recommendations of the Discretionary Housing Payment Policy Overview and Scrutiny Committee Task and Finish Group

- That no provision should be made within the MTFP for exceeding the Government's allocation for funding the administration of DHPs, but that this situation be monitored and reviewed on an annual basis to ensure budgets accurately reflect demand;
- members recommend that an annual report is submitted to Scrutiny, to fit in with the budget setting process, showing levels of expenditure against the allocated funding;
- That all literature produced in connection with the DHP Process is reviewed to ensure it meets organisational standards in terms of Plain English and accessibility;
- That measures are introduced to ensure staff administering the DHP scheme are supported;
- That SSDC actively engages with Taunton Deane Borough Council and West Somerset District Council when they have the annual review meeting with Citizens Advice to agree the reasonable living expenses levels

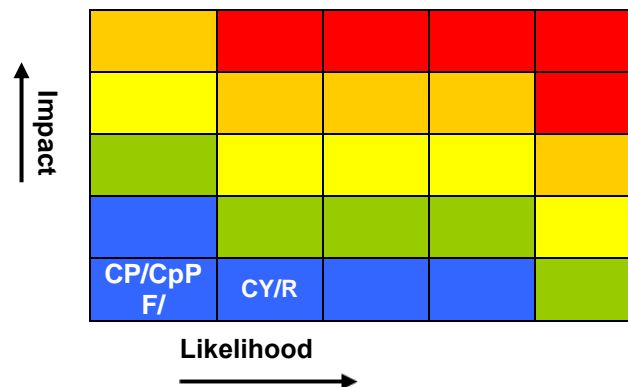
17. The Revenues and Benefits Manager has agreed to implement these recommendations.

Financial Implications

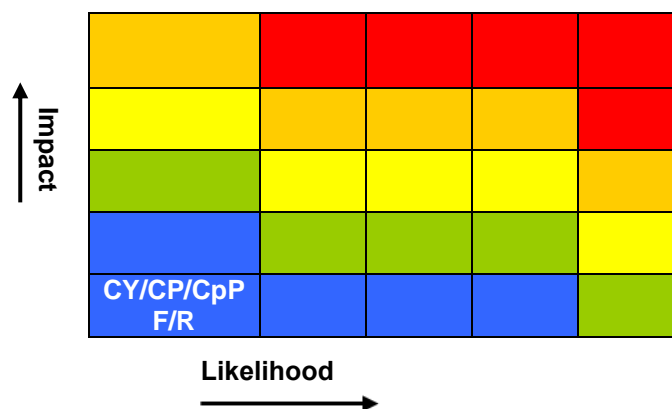
18. There are no anticipated financial implications of the policy revision. DHP spend is demand led and therefore subject to a range of external factors. This has meant that in some years spend has been below Government grant and others a small top up by SSDC has been needed. In 2016/17 we are projecting spend will be within Government grant. The Policy review mainly focuses on consistency in determining allowable levels of household expenditure and it is anticipated that spend for 2017/18 will also be covered by Government grant. DHP spend is already monitored monthly by the Revenues and Benefits Manager which includes a projected annual spend.

Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

Council Plan Implications

Health and Communities - Support residents through national benefit changes including Universal Credit.

Carbon Emissions and Climate Change Implications

None associated with this report

Equality and Diversity Implications

An equalities impact has been carried out as part of this policy review and there are no adverse implications associated with the proposed policy revisions.

Privacy Impact Assessment

None associated with this report

Background Papers

The Department for Work and Pensions Discretionary Housing Payment guidance manual: December 2016 can be accessed at www.gov.uk/government/publications/discretionary-housing-payments-guidance-manual
