

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Executive
<b>Date of Meeting:</b>	8 January 2020
<b>Subject:</b>	Discretionary Housing Payments
<b>Report of:</b>	Head of Corporate Services
<b>Corporate Lead:</b>	Deputy Chief Executive
<b>Lead Member:</b>	Lead Member for Finance and Asset Management
<b>Number of Appendices:</b>	None

## **Executive Summary:**

The Council has the power to award Discretionary Housing Payments (DHPs) to provide additional financial assistance towards housing costs where claimants are in receipt of Housing Benefit or Universal Credit (where housing costs are included).

An annual funding allocation is provided by the government and the Council is able to top up this funding from its own resources by an additional 150%.

Due to the increased pressures we are seeing on the DHP budget, the Executive Committee is asked to consider topping up this funding from its own resources.

## **Recommendation:**

**That the Executive Committee agrees additional funding of £40,000, to be funded by the expected windfall on business rates retention, to supplement the Council's allocation for Discretionary Housing Payments for the 2019/20 financial year.**

## **Reasons for Recommendation:**

Discretionary Housing Payments enable us to support some of the most vulnerable residents in the Borough. If additional funding is not agreed there is an increased risk of homelessness due to tenants not being able to meet their rental liability and possibly facing eviction.

## **Resource Implications:**

Funding is provided by the Department of Work and Pensions. The allocation for 2019/20 is £108,061 and, as at 12 December 2019, the whole of the budget has been allocated through current expenditure or commitments to the end of the financial year. The legislation allows us to use our own funds to top up the government contribution by up to an additional 150%.

Whilst the outturn financial report for quarter 2 highlighted a small deficit for the Council overall, this position has been improving in recent months particularly in relation to housing benefit subsidy and business rates retention. The latest projection for the windfall the Council is likely to receive from the Gloucestershire Business Rates Pool is circa £300,000. Whilst there are always risks with business rates, a major risk to the pool – the challenge by NHS Trusts – has been greatly reduced following a positive ruling by the Courts. In light of this, it is suggested that £40,000 of the expected windfall is utilised to support DHPs.

**Legal Implications:**

The Discretionary Financial Assistance Regulations 2001 (as amended) set out the legal framework empowering the Council to make discretionary awards to help residents with their housing costs.

Payments are discretionary however the Council has a duty to act fairly, reasonably and consistently. Each case must be considered on its own merits and decision making should be consistent throughout the year.

**Risk Management Implications:**

The funding available for Discretionary Housing Payments is limited and there is a risk that awards may exceed the allocated resources or that awards may be inconsistently applied and fail to benefit those residents most in need of assistance.

**Performance Management Follow-up:**

Each financial year initial estimates and mid-year estimates of expenditure have to be submitted to Department of Work and Pensions (DWP). In addition to this, returns are submitted to DWP providing details of awards made. Monitoring takes place on a quarterly basis to ensure that awards are made fairly and in accordance with the policy.

**Environmental Implications:**

None.

**1.0 INTRODUCTION/BACKGROUND**

- 1.1** Discretionary Housing Payments (DHP) help people on Housing Benefit and Universal Credit (where housing costs are included) to pay their rent if their entitlement does not cover their full rental liability. The amount each Council is able to spend annually is limited by the permitted total the government sets. Councils can top up this funding from their own financial resources up to an additional 150%.

**2.0 BACKGROUND**

- 2.1** The Discretionary Housing Payments scheme was introduced in 2001 to enable local authorities to make financial awards in addition to Housing Benefit (subsequently amended to include the housing costs element of Universal Credit) where there is a shortfall between the applicant's benefit and rent. DHP is not a long-term solution and the Council's policy, which was adopted by Executive in March 2018, reflects the objective of helping households move towards being able to afford their rent without it.
- 2.2** As at 12 December 2019 the DHP spend was £85,278.75 and the additional committed spend to year-end is £22,685.19. Based on current estimates, total DHP expenditure for 2019/20 is estimated to be approximately £150,000. This exceeds the government contribution by £41,939.
- 2.3** At the Spending Round 2019 the Chancellor announced additional earmarked funding of £40m for DHPS "to tackle affordability pressures in the private rented sector in England and Wales" however this additional funding will not be received until 2020/21.
- 2.4** There has been a particular pressure on the DHP budget due to the impact of the rollout of Universal Credit in the Borough. Of the 198 applications received and assessed at the time of writing 116 have been from those residents in receipt of Universal Credit.

- 2.5** In order to enable us to continue to support the most vulnerable residents in the Borough, Members are asked to approve the “topping up” of the DHP budget from our own resources. However, to be confident we are making the best use of resources a review will be undertaken by Internal Audit to ensure that awards are being made consistently and only to those demonstrating a real need for financial support.
- 3.0 OTHER OPTIONS CONSIDERED**
- 3.1** Members could choose not to supplement the Council’s allocation, however, this would mean it would be unable to continue to help some of the most vulnerable residents in the Borough.
- 4.0 CONSULTATION**
- 4.1** Formal consultation is not required.
- 5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**
- 5.1** Discretionary Housing Payments Policy.
- 6.0 RELEVANT GOVERNMENT POLICIES**
- 6.1** Department of Work and Pensions Discretionary Housing Payments Guidance Manual, including Local Authority Good Practice Guide, August 2019.
- 7.0 RESOURCE IMPLICATIONS (Human/Property)**
- 7.1** None directly associated with this report other than officer time.
- 8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**
- 8.1** None.
- 9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**
- 9.1** Positive impact.
- 10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**
- 10.1** None.

---

**Background Papers:** None.

**Contact Officer:** Revenues and Benefits Manager Tel: 01684 272119  
Email: [geni.hotchkiss@teWKesbury.gov.uk](mailto:geni.hotchkiss@teWKesbury.gov.uk)

**Appendices:** None.