

**Cheltenham Borough Council**  
**Cabinet – 13th February 2018**  
**Discretionary Housing Payment Policy**

<b>Accountable member</b>	<b>Councillor Rowena Hay, Cabinet Member Finance</b>
<b>Accountable officer</b>	<b>Jayne Gilpin, Head of Revenues and Benefits</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key/Significant Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>The council has powers to award Discretionary Housing Payments (DHP) to provide additional financial assistance towards housing costs where claimants are in receipt of Housing Benefit or Universal Credit, provided housing costs are included. This report proposes an updated policy to include the Council's responsibilities in respect of Universal Credit claimants and ensure that consistent decisions are made.</p> <p>Funding is provided by the Department for Work and Pensions</p>
<b>Recommendations</b>	<p><b>That Cabinet :</b></p> <ol style="list-style-type: none"> <li><b>1. Approves the Discretionary Housing Payment Policy in Appendix 2</b></li> <li><b>2. Delegate decisions relating to the award of DHP in line with the policy and DWP guidance, to the Head of Revenues and Benefits, with the final decision in the event of dispute being taken by the Chief Finance Officer</b></li> <li><b>3. Authorises the Chief Finance Officer to apply to DCLG for an accounting direction if it appears that the annual allocation will be exceeded in any financial year</b></li> </ol>

<b>Financial implications</b>	<p>The Discretionary Housing Payments (DHP) Scheme enables local authorities to provide financial assistance towards housing costs through the General Fund. An annual allocation of funding from Government finances this scheme. In previous years the total of such payments has not exceeded the allocation.</p> <p>Although the anticipated payments for 2017/18 appear to be within budget, expenditure on DHPs is expected to increase. Where Councils need to add to the funding provided the Department for Communities and Local Government (DCLG) has confirmed that authorities may be permitted to fund DHP payments made to its own tenants from the HRA. This requires a written application to DCLG for a specific accounting direction. It is recommended that the level of payments continues to be monitored and the S151 Officer is delegated authority to apply for such a direction if it appears probable that the annual allocation will be exceeded in any financial year. The draft HRA budget does not yet include any provision for such expenditure.</p> <p><b>Contact officer: Paul Jones</b>  <b>paul.jones@cheltenham.gov.uk, 01242 775154</b></p>
<b>Legal implications</b>	<p>The Discretionary Financial Assistance Regulations 2001 (as amended) set out the legal framework empowering the council to make discretionary awards to assist residents with their housing costs</p> <p><b>Contact officer: Peter Lewis, peter.lewis@teWKesbury.gov.uk, 01684 272012</b></p>
<b>HR implications (including learning and organisational development)</b>	None
<b>Key risks</b>	<b>See appendix 1</b>
<b>Corporate and community plan Implications</b>	None
<b>Environmental and climate change implications</b>	None
<b>Property/Asset Implications</b>	<b>None</b>

## **1. Background**

- 1.1** The Discretionary Housing Payment (DHP) scheme is designed to provide additional financial assistance to recipients of Housing Benefit or Universal Credit where the housing costs element is included in their current award.
- 1.2** It is payable where additional help with housing costs is required, with awards being made under the Discretionary Financial Assistance Regulations 2001 which provide Local Authorities with significant discretion on the amount of money paid out and the way the scheme is administered.
- 1.3** The Department for Work and Pensions (DWP) provide a DHP Guidance Manual (including a Local Authority Good Practice Guide) to assist councils in devising a scheme that will support those affected by the welfare reforms and the impact of the introduction of Universal Credit.
- 1.4** DHP schemes have been in existence since 2001 but demand on the scheme was expected to, and did significantly increase due to a number of government welfare reforms introduced from April 2013 onwards. These included the Spare Room Subsidy (bedroom tax), further Local Housing Allowance changes and the Benefit Cap.
- 1.5** DHPs will not normally be used to provide long term support for individuals. Instead, they will be used to provide short term support to allow people the time to resolve their current financial difficulties and to move to a position which is financially sustainable for them in the longer term.
- 1.6** Central Government increased the DHP funding available to councils from 2013 in order to help with the growing demand on the fund. The funding provided by the government for 2017-18 in Cheltenham is £206,154 and it is anticipated that this figure will stay the same or increase for 2018-19 based on current estimates. The fund is ring fenced and can only be used for the purpose of making DHPs.

## **2. Reasons for recommendations**

- 2.1** The council has updated its DHP Policy taking into account the additional demand that is anticipated from people who will be moving from the current Housing Benefit scheme to Universal Credit and for people who will require rent deposits paid to enable them to move to smaller, more affordable accommodation. Furthermore, the council will be proactive in ensuring that recipients take steps to improve their own position, which may include seeking paid employment and/or moving to more affordable accommodation.
- 2.2** A number of welfare reforms targeted at working age people have been implemented since 2013 and the full service for Universal Credit is now operational in Cheltenham. An effective DHP Policy, targeting help for those in need will continue to help alleviate poverty, prevent homelessness and protect the most vulnerable Cheltenham residents.
- 2.3** Members are therefore being asked to approve the revised DHP Policy which will provide a consistent framework for officers making decisions in respect of DHP claims.

- 2.4 The Council should have a policy and current policy needs to be updated to ensure fair and consistent decisions are made when considering applications for DHP.

### 3. Consultation and feedback

- 3.1 The council is not required to consult on a Discretionary Housing Payment Policy so no consultation has been carried out.

### 4. Performance management –monitoring and review

- 4.1 Each year initial year estimates and mid-year estimates of expenditure have to be submitted to the Department for Work and Pensions (DWP). In addition to this two returns have to be submitted to the DWP, providing details of the awards made. Together with this, further monitoring will be carried out to ensure that the awards do not exceed the budget and that awards are being made fairly and in accordance with the Policy.

<b>Report author</b>	<b>Contact officer: Jayne Gilpin, Head of Revenues and Benefits</b> <b>Jayne.gilpin@cheltenham.gov.uk,</b> <b>01242 264323</b>
<b>Appendices</b>	1. Risk Assessment
<b>Background information</b>	1. Proposed Discretionary Housing Payment Policy 2. The Discretionary Financial Assistance Regulations 2001 <a href="http://www.legislation.gov.uk/uksi/2001/1167/contents/made">http://www.legislation.gov.uk/uksi/2001/1167/contents/made</a> 3. DWP Discretionary Housing Payments Guidance Manual <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/661904/discretionary-housing-payments-guide.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/661904/discretionary-housing-payments-guide.pdf</a>

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If an updated Discretionary Housing Payment Policy is not approved it may lead to outdated and inconsistent decision making	Jayne Gilpin		3	1	3	Accept			David Wyatt	
2	If DHP awards are made in excess of the DWP funding the Council will be required to fund the excess	Paul Jones		3	2	6	Accept	Ongoing monitoring of the DHP budget throughout the year as part of internal controls		Jayne Gilpin	
<b>Explanatory notes</b> <b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical) <b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability) <b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close											