

DISCRETIONARY HOUSING PAYMENTS POLICY UPDATE

1.0 EXECUTIVE SUMMARY

- 1.1 In March 2013 Council approved a policy for awarding Discretionary Housing Payments (DHP) to claimants in receipt of Housing Benefit (HB) and who are deemed to be in high, medium or low levels of hardship. The policy was updated in August 2014 to allow DHPs to be paid to all under-occupancy cases irrespective of priority and for this change to be backdated to 1 April 2014. This was further updated in August 2015 for claims from those in receipt of Disability Living Allowance (DLA), and to ensure that help with rent deposits / rent in advance does not encourage claimants to move to a property which they cannot afford on an ongoing basis.
- 1.2 There is now a requirement to update the policy further to reflect new guidance from DWP about assistance to households affected by the benefit cap. The new reduced benefit cap is coming in starting from 7 November 2016 and many more households in our area are likely to be affected.
- 1.3 The committee is asked to approve the proposed amendments to the DHP policy which reflect this new guidance.

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2.0 INTRODUCTION

- 2.1 In March 2013 Council approved a policy for awarding Discretionary Housing Payments (DHP) to claimants in receipt of Housing Benefit (HB) and who are deemed to be in high, medium or low levels of hardship. The policy was updated in August 2014 to allow DHPs to be paid to all under-occupancy cases irrespective of priority and for this change to be backdated to 1 April 2014. This was further updated in August 2015 for claims from those in receipt of Disability Living Allowance (DLA), and to ensure that help with rent deposits / rent in advance does not encourage claimants to move to a property which they cannot afford on an ongoing basis.
- 2.2 There is now a requirement to update the policy further to reflect new guidance from DWP about assistance to households affected by the benefit cap. The new reduced benefit cap is coming in starting from 7 November 2016 and many more households in our area are likely to be affected. An amendment to the policy is proposed for consideration.

3.0 RECOMMENDATIONS

- 3.1 Policy & Resources Committee approves the proposed amendment to the policy for awarding DHP attached at Appendix 1.

4.0 DETAIL

- 4.1 On a monthly basis, the SMT considers what priority of cases we can afford to support based on budget available, and we are currently supporting medium and high hardship cases for all priority groups. It is hoped to support this priority throughout 2016/17 in the same way as we supported such cases in 2014/15 and 2015/16.
- 4.2 For 2016/17, we have the following funding for DHPs:

	£
DWP	407,881
SG tranche 1 2016/17	54,020
SG hold back 2015/16	106,044
Carry forward earmarkings from 2015/16	35,730
TOTAL	£603,675

- 4.3 As at end of August, we have spent and committed £463,835. We have processed 882 applications for DHP and made 826 awards. There are a total of 137 applications outstanding or requiring further information at the end of August including 52 bedroom tax cases which are still to be reviewed before granting

continuation. Nearly all the awards to date (94% by value) have been for bedroom tax cases.

- 4.4 Spend this year will be affected by the lower benefit cap which is now expected to commence on 7 November. The latest scan received on 7 September indicated 68 households may be affected and if we have to support all these cases with DHP from November to the end of the year, costs could be c £70k. This is just about affordable within the current funding available.
- 4.5 DWP has issued amended guidance on DHPs in advance of the new reduced benefit cap. The guidance suggests that awards to households affected by the benefit cap should be conditional on a member of the family taking up an appointment with a local DWP work coach to review the routes to work available. The Welfare Reform Working Group has been consulted on this and a change to the policy is proposed which reflects this guidance whilst maintaining the discretion to review the full circumstances of each household making a claim for DHP.
- 4.6 It is proposed to amend two parts of the policy. Section 6 deals with the period of the award. The minimum award period of 13 weeks still applies to all cases. We are proposing that for benefit cap cases, any extension of this initial award period to a 26 week period will be conditional on engagement with Job Centre Plus to try to actively move into employment. If a household member takes up work, then that will remove the household from the benefit cap. Any extension beyond 26 weeks is unchanged and is dependent on there being exceptional circumstances.
- 4.7 Section 7 deals with priority groups. It is proposed that benefit caps cases are split as follows. Those households who are engaging with DWP Work Coaches would fall into Priority Group D. Those households who are not engaging would fall into Priority Group E which is the catch all group for those not in any other category.
- 4.8 At present we are supporting high and medium hardship cases across all priority groups and so it does not make any difference which priority group a household falls into. However, if finances become tighter, it would be possible to restrict support to, say, high hardship cases for all priority groups and medium hardship cases for priority groups A to D only.
- 4.9 DHP assessors refer to a working document which lists some indicators of hardship levels. These are indicators only and do not fetter discretion to consider all relevant factors. An indicator of low level of hardship would be the fact that the shortfall in housing costs is caused by the benefit cap and the household is failing to engage with DWP in seeking a route to work. This would be a single indicator which would still allow discretion to consider all other factors set out in the policy.

5.0 CONCLUSIONS

- 5.1 This paper asks Policy & Resources Committee to approve the updating of the DHP policy following new guidance from DWP about households affected by the benefit cap.

6.0 IMPLICATIONS

- 6.1 Policy: This proposes a change to the policy for awarding DHP affecting benefit cap cases.

- 6.2 Financial: This is likely to reduce levels of support for household affected by the benefit cap where there is no engagement with DWP work coaches.
- 6.3 Legal: Proposals are in accordance with DWP guidance and all legislation.
- 6.4 HR: None.
- 6.5 Equalities: No particular equalities groups are expected to be adversely impacted.
- 6.6 Risk: Reduces risk of over spending DHP budget.
- 6.7 Customer Service: None.

Appendices:

- 1 Proposed changes to DHP policy

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13 September 2016

Policy Lead: Councillor Dick Walsh

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Background papers

Welfare Reform: Council 21 March 2013

Discretionary Housing Payments Policy: Policy & Resources Committee 21 August 2014

Discretionary Housing Payments Policy: Policy & Resources Committee 20 August 2015

Appendix 1: proposed changes to DHP Policy

Sections highlighted in **Yellow** are proposed changes.

6.0 PERIOD OF AWARD

The period of award of a DHP will normally be:

- For a minimum period of 13 weeks unless there are exceptional circumstances where it can be for a shorter period,
- **For households subject to Benefit Cap restrictions the initial award of 13 weeks will be extended to 26 weeks where evidence is forthcoming from Job Centre Plus that the household has been actively engaging with them to try to move into employment.**
- For not more than 26 weeks except where the claimant is subject to under-occupancy restrictions, or there are other exceptional circumstances,
- Where there are exceptional circumstances, a full review of the claim must be carried out prior to any extension. Such an extension may be for a further period of up to 26 weeks, making a total of a maximum of 52 weeks for any continuous award.
- For claimants subject to under-occupancy restrictions, an initial award can be made for up to a full 52 weeks if that appears appropriate and the award may also be backdated to 1 April 2013 or such later date when the under-occupancy restriction commenced. The award may be extended following a full review of the claim for a further period of up to 52 weeks.

7.0 AWARDING A DHP

In deciding whether to award a DHP, the Benefits Unit will work together with other key stakeholders (e.g. the Council's Housing and Welfare Rights service, Money Advice Unit and ACHA) to consider the following main factors:

- The household's financial circumstances;
- The tenancy;
- Prevention of Homelessness;
- The household's medical circumstances;
- The priority group in which the applicant falls.

Each of these factors is considered in more detail below. These factors will be taken together and an overall assessment made which balances the degree of financial hardship and the likelihood that support will help to prevent homelessness and specific relevant tenancy factors. Using this overall assessment, applicants will be classed as high, medium or low priority within each priority group.

Each month there will be an assessment of which groups can be supported. In general all high priority applicants will rank above medium priority applicants irrespective of which group A to E they fall into. Within a priority level (high, medium or low) applicants in group A would rank above group B and so on. The intention would be to support all groups A to E high priority cases and as

many of the medium priority cases possible. It is unlikely that any low priority cases will receive support.

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PRIORITY GROUP D

- To help secure and move to lower-cost, alternative accommodation (e.g. rent deposit)
- To help with short-term rental costs while the claimant seeks employment
- Households within 12 months of the pension credit age and subject to under-occupancy restrictions.
- **Households subject to benefit cap restrictions who have taken up an appointment with a DWP work coach to review the routes to work available to them**
- Claimants subject to LHA reforms

PRIORITY GROUP E

- To help with short term rental costs for any other reason