



# Cabinet report

Date	<b>16 DECEMBER 2021</b>
Title	<b>DISCRETIONARY HOUSING PAYMENT POLICY</b>
Report of	<b>CABINET MEMBER FOR STRATEGIC FINANCE, CORPORATE RESOURCES AND TRANSFORMATIONAL CHANGE</b>

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## EXECUTIVE SUMMARY

1. This paper is provided to seek support for changes required to the Discretionary Housing Payment policy (DHP). This policy is reviewed each year to take into consideration any changes required of the policy and to detail changes in funding received from the DWP.
2. Each year the DWP provide local authorities with funding to help those who are in receipt of housing benefit or universal credit and are satisfied that the person needs more help with any shortfall between their rental liability and the payment of either their housing benefit payment or the housing cost element of their universal credit payment for a period of time.
3. In addition, the DWP provides guidance to Local Authorities to consider making changes to policies, which is reviewed each year as part of the policy's annual review.
4. This year's annual review of the guidance has taken place, and after receipt of the funding provision from the DWP the recommendation is to amend the policy to take account of the revised allocation of funding provided to the Isle of Wight Council.

## RECOMMENDATION

- Option A. To amend the DHP policy to reflect the funding for 2021/22 provided by the DWP.
- Option C. Minor changes to the policy to be delegated to an officer in consultation with the cabinet member for our service area.

## BACKGROUND

5. Each year the Government distributes grants to Councils to make Discretionary Housing Payments (DHP). These funds can be used to meet eligible shortfalls in rent for people who are already in receipt of Housing Benefit and the rental element of their Universal Credit payment.

6. The DHP scheme covers shortfalls between rental liabilities and payment of housing benefit or the housing element of universal credit and every claimant who has an entitlement to housing benefit or universal credit which includes the housing cost element and has a shortfall is entitled to make a claim for financial support.
7. The main features of the scheme are that:
  - The scheme is purely discretionary, and a claimant does not have the automatic right to a payment;
  - The amount that can be paid out by an authority in any financial year is cash limited by the Secretary of State;
  - Local Authorities decide how to administer the scheme;
  - DHP's are not a payment of housing benefit.
8. The aim of the DHP scheme policy is to provide an appropriate and responsive program of DHP provision to Island residents that have either a housing benefit entitlement or a universal credit housing related rental costs element within their award and are deemed to be in genuine hardship as a result of shortfall between their benefit and rental liability.
9. The scope of the policy has been reviewed to reflect the ongoing impact of welfare reform, universal credit cases and the reduction in funding available from central government to support customers who continue to have a shortfall through the introduction of the various changes where further financial assistance towards housing costs is deemed appropriate.
10. The Isle of Wight Council's DHP policy provides assistance in:
  - Alleviating poverty;
  - Prevent homelessness by sustaining tenancies and safeguarding customers in their homes where it is reasonable to do so, and active steps are being taken by the customer to manage a tenancy;
  - Enable customers in the short term to make the changes necessary to move forward and into more appropriate housing and financial position;
  - Support vulnerable young people in the transition to adult life;
  - Encourage residents of the Island to obtain and sustain employment;
  - Support the vulnerable in the local community;
  - Assisting customers who are trying to help themselves;
  - Supporting the transition into work;
  - Helping claimants through personal and difficult events;
  - Keeping families together.

Any DHP award is intended to provide the applicant with time to take action, which may assist their position. This may include looking for cheaper alternative accommodation, seeking budgeting or debt advice or adjusting to their changed circumstances.

Each year the housing benefit service ensures that all funding is spent to assist residents, as any funding which is not spent has to be returned to the DWP.

## STRATEGIC CONTEXT

11. The revision of DHP scheme supports the council's vision "to work together openly and with our communities to support and sustain our economy, environment and people.
12. Use of the DHP scheme supports those who are in need of financial support to maintain their tenancies and remain part of the community. The scheme ensures that residents receive help and support as well as ensuring funding is spent locally and therefore contributes to economic recovery.
13. The DHP policy needs to be considered in the context of the council's overall budget strategy and the financial impact on the ability to deliver services. The proposals within this report remain aligned to the corporate plan priorities that seek to ensure the following:
  - Ensuring that we listen to people. We will do so by holding consultations in which we will have a proper discussion with residents about issues
  - Keeping the council solvent and take all the measures we can to improve the financial position of the council
  - COVID 19 recovery will be integral to everything we do for residents and Island business
  - Provide greater support to those on low incomes, including through the local council tax support scheme

## FINANCIAL / BUDGET IMPLICATIONS

14. Since 2014/15 the level of Government funding towards DHP's has continued to remain relatively stable. The funding in 2013 was £272,944 and since this time we have seen fluctuations in funding each year depending on changes being introduced by way of Welfare Reforms. The funding available for 2021/22 from central government is £318,378. Future years funding may increase or reduce and is dependent on the level of funding provided by central government. If government DHP funding declines year on year this will have to be reflected in the making of awards and may impact on the most vulnerable and those at risk of homelessness.
15. Any unspent DHP funding from the Government is required to be returned to the DWP at the end of each financial year.

## IMPACT ON YOUNG PEOPLE AND FUTURE GENERATIONS

16. The income of a household affects those children in families where a DHP is being considered, and family make up is taken into consideration with any requests for support being made. Any future changes to the policy will also need to be considered and the effects on young people.

## LEGAL IMPLICATIONS

17. The power to award DHP's is the Discretionary Financial Assistance Regulations 2001(SI2001/1167) as amended. These regulations provide the authority may make payments by way of financial assistance to persons that are entitled to housing benefit or relevant universal credit and appear to the authority to require further assistance to meet housing costs. However, they are clear that the authority has

complete discretion as to whether to make any payment and or the amount of payment

18. Although the regulations give local authorities broad discretion, decisions must be made in accordance with ordinary principles of good decision making. In particular, local authorities have a duty to act fairly, reasonably and consistently. Each case must be decided on its own merits, and decision making should be consistent throughout the year.

## EQUALITY AND DIVERSITY

19. The council has to comply with section 149 of the Equality Act 2010. This provides that decision makers must have due regard to the elimination of discrimination, victimisation and harassment, advancing equalities, and fostering good relations between different groups (race, disability, gender, age, sexual orientation, gender reassignment, religion/belief, pregnancy and maternity, and marriage/civil partnership). An equality impact assessment has been completed in respect of relevant proposals as part of the decision-making process to enable Councillors to take into account and if necessary, mitigate the impacts as part of the decision-making process.
20. This provision will continue to provide support to those deemed to be in genuine hardship and requiring additional support above the provision provided under housing benefit and universal credit award regulations.

## OPTIONS

21. Option A To continue to provide a discretionary housing payment policy and amend the current policy to reflect the funding provided by the DWP to £318,378 for 2021/22.

Option B To not support DHP funding to assist residents locally.

Option C Minor changes to the policy to be delegated to an officer in consultation with the cabinet member for our service area.

## RISK MANAGEMENT

22. The use of monies provided by central government by way of DHP is positive to alleviate financial pressures for those on housing benefit or the housing element of universal credit.
23. In past years the amount of funding as well as those in need financial support has been closely monitored to ensure residents receive help and support as well as ensuring funding is spent locally.
24. Any DHP award is intended to provide the applicant with time to take action, which may assist their position. This may include looking for cheaper alternative accommodation, seeking budgeting or debt advice or adjusting to their changed circumstances, and the service area provide guidance on where further support can be found.

## EVALUATION

25. Each year the council must undertake a review of the DHP policy to reflect the funding available to support the scheme, as well as changes required following the DWP's guidance report, and any welfare reforms which need to be considered to assist residents.
26. The funding provided by the DWP provides essential support to those who have a shortfall between their rental liability and the payment of housing benefit or the housing element of universal credits and who cannot afford to pay the shortfall difference themselves. Option 1 would continue to provide essential support to local residents suffering hardship.
27. The service area would not recommend disregarding the use of this funding as it provides essential help and support to residents locally to alleviate homelessness and continue to assist in providing a place to call home.

## APPENDICES ATTACHED

Appendix 1. Discretionary Housing Payments Policy 2021  
Appendix 2. Equality Impact Assessment

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