

**Report for:** Cabinet Member Signing, 19 March 2018

**Title:** Haringey's Discretionary Housing Payments Policy for 2018/19

**Report authorised by:** Richard Grice, Interim Director for Transformation & Resources

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**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:** Key

## **1. Describe the issue under consideration**

**1.1** Each year the Department for Work and Pensions makes grants available to local authorities for Discretionary Housing Payment purposes.

**1.2** Discretionary Housing Payments (DHPs) are administered by local authorities and provide financial assistance (outside of the Housing Benefit and Universal Credit regulations) to help tenants meet their housing costs. They play an important role in sustaining tenancies, preventing homelessness and, where needed, enabling tenants to move to affordable accommodation. The part that DHP plays in preventing homelessness will be particularly important in 2018/19 as the Council delivers the requirements of the Homelessness Reduction Act from 3 April 2018.

**1.3** In 2017/18, the total DHP grant budget (shared between all local authorities in England, Scotland and Wales) was £150 million. Haringey's share was £1,752,132.

**1.4** The Council's DHP allocation for 2018/19 is £1,594,345

**1.5** The purpose of this report is to recommend the annual approval of a DHP Policy. The policy, at Appendix A will ensure that, during 2018/19 limited DHP resources are applied in a way that is fair, supports those households that are in most need of assistance and supports our efforts to prevent homelessness.

## **2. Cabinet Member Introduction**

**2.1** Welfare reform continues to make the lives of Haringey's low paid families much harder. As the report notes, proposed welfare changes due to take effect in 2018/19, including the lowered benefit cap, will significantly reduce the amount of Housing Benefit paid to households that are living in Haringey and/or in temporary accommodation. Such reforms will put significant pressure on Haringey's DHP budget in addition to the ongoing impact of previous welfare reform.

**2.2** It is clear that a 9% decrease in our DHP allocation will mean that there is insufficient funding to meet the scale of demand especially at a time when the Council's budget continues to be hit by the Government's austerity programme. In the face of these challenges it is important that our DHP budget is aligned with an overall more strategic approach to welfare reform, focussed on increasing financial resilience and reducing demand for crisis support, and to our objective of preventing homelessness and reducing our reliance on temporary accommodation. With the resources at our disposal, Haringey will ensure that the DHP policy for 2018/19 is administered in a fair and transparent way. We remain committed to doing everything we can to sustain tenancies, prevent homelessness and, where possible, ensure tenants secure more affordable accommodation.

### **3. Recommendations**

**3.1** It is recommended that the Cabinet Member for Corporate Resources:

**3.2** Approves Haringey's Discretionary Housing Payments Policy 2018/19 (see Appendix A) as the means by which the Council will determine how the DHP funds will be allocated during the 2018/19 financial year having regard to the Equalities Screening Tool (set out in Appendix B)

### **4. Reasons for decision**

**4.1** The DHP Policy has to be reviewed every year.

### **5. Alternative options considered**

**5.1** Consideration has been given to the option of continuing with Haringey's existing DHP Policy. The policy is reviewed each year in line with the new allocation of funding. The DHP Policy has been amended this year to address the Council's new prevent and relief duties under the Homelessness Reduction Act 2017 which comes into force in April.

### **6. Background information**

**6.1** Discretionary Housing Payments (DHP) are short-term awards provided by local authorities to help people with housing costs. They can play an important role in sustaining tenancies, preventing homelessness and, where needed, enabling tenants to move to more affordable accommodation. Increasingly DHP are being given to assist those affected by welfare reform.

**6.2** A Council's decision to award a DHP is discretionary but it must be made in accordance with the regulations which cover DHPs (the Discretionary Financial Assistance Regulations 2001) and with the ordinary principles of good decision-making i.e. administrative law. In particular, local authorities have a duty to act fairly, reasonably and consistently. The DHP policy should support the decision-making process, enabling fair and consistent decisions to be made across the year.

**6.3** Discretionary Housing Payments are not intended to be used as a long-term solution to a claimant's financial difficulties but provide short-term assistance to ease transitions and allow households time to find a way of resolving their difficulties.

**6.4** Our allocation for 2018/2019 is £ 1,594,345.

**6.5** It is difficult to accurately predict the extent to which further welfare reforms will impact on the demand for DHP. However, our welfare reform impact analysis has identified that proposed changes will put additional pressures on residents' ability to meet their rent commitments beyond the pressures arising from existing welfare reform and the ongoing impact of the private sector housing market. This includes: The reduction of the Benefit Cap from 7 November 2016 for all London Authorities. The restriction in benefit for households with more than 2 children and the exclusion from housing costs to all those aged below 22.

**6.6** Haringey's current DHP policy was approved through Cabinet Member signing in March 2017.

**6.7** The policy will be reviewed annually and in light of any legislative changes, trends or other factors that impact in its effectiveness.

**6.8** The policy has been reviewed this year and is aligned with a more strategic approach to welfare reform, focussing on increasing financial resilience and reducing demand for crisis support, and to our objective of preventing homelessness and reducing our reliance on temporary accommodation.

**6.9** The Council may also, during the course of any year, review and reconsider whether it should allocate any of its own resources towards the overall DHP budget.

## **7. Contribution to strategic outcomes**

The stated aims of the policy support a number of our corporate priorities, including:

- I)** Sustaining tenancies and preventing homelessness
- II)** Ensuring residents can find and keep good quality employment
- III)** Supporting the vulnerable and elderly to live independent lives
- IV)** Creating a fair and equal borough by tackling the underlying factors of poverty and disadvantage
- V)** Early help and intervention

## **8. Statutory Officers Comments**

## **Assistant Director of Corporate Governance**

**8.1** The Assistant Director of Corporate Governance has been consulted in the preparation of this report.

**8.2** Powers under sections 69 and 70 of the Child Support Pensions and Social Security Act 2000 and the Discretionary Financial Assistance Regulations 2001 (as amended) (“the Regulations”) provide the legal framework for Discretionary Housing Payments (DHPs). The Department for Work and Pensions has also issued a Discretionary Housing Payments Guidance Manual including the Local Authority Good Practice Guide to help local authorities to use their powers lawfully and fairly.

**8.3** The Regulations give the Council a very wide discretion to determine a local scheme for DHPs. However, decisions must be made in accordance with public law principles and the duty to demonstrate fair, reasonable and consistent treatment between applicants. Further, the Council must not act in a way which ‘fetters’ its duty to properly exercise its discretion, and each case must therefore be considered on its own merits.

**8.4** Given the discretionary nature of the scheme, the Council is able to change its priorities and amend its scheme accordingly. This year enhanced homelessness prevention and relief duties under the Homelessness Reduction Act 2017 that comes into force from April 2018, have necessitated changes to the policy.

**8.5** In accordance with Article 7 of the Discretionary Housing Payment (Grants) Order 2001 the Council’s total expenditure on DHP cannot exceed the overall cash limit of two and a half times the government contribution. To award DHP after this level has been reached would be unlawful. Any unspent DHP funding must be returned to the DWP at the end of the financial year.

## **9. Equality**

**9.1** The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

**9.2** The Council’s Public Sector Equality Duty has been considered and an equality impact assessment is not required. The policy was originally adopted in 2016/17, where an equality impact assessment was completed.

9.3 There are no concerns that the existing or proposed policy exposes any group who shares a protected characteristic to discrimination or inequality. The policy targets any residents in receipt of Housing Benefit or the housing element of Universal Credit. The policy aims to support those people most in need by targeting those facing exceptional financial hardship.

9.4 Haringey's share of the Discretionary Housing Payment (DHP) grant budget in 2018/19 will be lower than the share in 2017/18, which will create additional challenges for the borough. The reduction in Haringey's share is a result of the reallocation of the DHP across local authorities in England, Wales and Scotland. The Council will continue to ensure that the policy is administered in a fair and transparent way, according to its existing criteria.

#### **Chief Finance Officer Comments**

**10.** This report request that the Cabinet member approves the change in the policy related to the Discretionary Housing Payment (DHP) for 2018/19.

The Department for Works and Pensions provides DHP grant funding to each Local Authority. The grant allocation for 2018/19 is £1,594,345.00, which represents a decrease of £157,878.00 on the 2017/18 allocation.

As per 5.8 above, the Council may consider whether it should allocate any of its own resources towards the overall DHP budget. Currently, there is no general fund budget allocated for DHP's.

The DHP's are monitored regularly as part of the budget monitoring process. Any grant remaining at the end of the financial year, as per the conditions of the grant, will be returned to Department for Works and Pensions on completion of an annual DHP claim form.

### **11. Use of Appendices**

#### **11.1 Appendix A Haringey's Discretionary Housing Payments Policy 2018/19**

**11.2 Appendix B EQIA screening tool 2018/19. The previous version of the EQIA can be found here**

<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CIId=435&MIId=7719&Ver=4>

### **12. Local Government (Access to Information) Act 1985**