

Report for: Cabinet 9 March 2021

Title: Discretionary Housing Payments Policy for 2021/22

Report authorised by: Richard Grice, Director for Customers, Transformation and 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 (DWP) makes grants available to local authorities for Discretionary Housing Payment (DHP) purposes and a report is taken to Cabinet with an updated DHP policy to reflect the new funding allocation.
- 1.2 The main objective of the DHP policy is the prevention of homelessness and to sustain tenancies.

2. Cabinet Member Introduction

- 2.1 We recognise that the lives of Haringey's families on low incomes have become much harder. This will put significant pressure on Haringey's DHP budget in addition to the ongoing impact of previous welfare reform.
- 2.2 We have reviewed our DHP policy and will do so annually to ensure it has the highest impact.
- 2.3 Use of our DHP budget is an important means by which the Council aims to assist and protect families threatened with homelessness. We are seeking to focus on supporting people to reduce debt and reducing demand for crisis support, aligned with 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 21/22 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 Cabinet approves Haringey's Discretionary Housing Payments Policy 2021/22 (see Appendix A) as the methodology to determine the award of individual Discretionary Housing Payments during the financial year 2021/22 having regard to the Equalities Impact Assessment (set out in Appendix B).

- 3.2 At the time of writing this report the DWP have not confirmed the DHP allocation to Haringey for 2021/22. If notification arrives after this Cabinet meeting, Cabinet will be notified of the figure in the Quarter One budget monitoring report.

4. Reasons for Decision

- 4.1 The DHP Policy must be reviewed and approved every year in line with the changing funding allocated by the DWP.

5. Alternative Options Considered

- 5.1 None

6. Background Information

- 6.1 DHPs are short-term awards administered by Local Authorities to help people with housing costs. They can play an important role in sustaining tenancies, preventing homelessness, and enabling tenants to move to more affordable accommodation. Increasingly, DHPs are being given to assist those affected by welfare reform. They can also help the disabled where Housing Benefit is reduced because they have other adults living with them and Foster Carers who require more bedrooms.
- 6.2 The award of a DHP is discretionary and must be made in accordance with the Discretionary Financial Assistance Regulations 2001 and with the ordinary principles of good decision-making. The Council has a duty to act fairly, reasonably, and consistently.
- 6.3 The DHP policy supports this decision-making process, enabling fair and consistent decisions to be made in a timely manner.
- 6.4 The DHP budget is monitored quarterly.
- 6.5 Haringey has high levels of deprivation and several factors which affect the type and number of requests for DHP including:
- Over 11,000 people on the housing waiting list
 - 3% of households in Haringey are overcrowded, with over 1.5 persons per room. This is substantially higher than the statistical neighbour and London averages, and the 4th highest rate of all London boroughs.
 - 46% of lone parent households with dependent children have at least 1 room less than the basic standard
 - The alternative claimant count is a summation of all UC, JSA, and other job seeking related benefit allowances, used as an estimation for total claimants as UC continues to phase in. Haringey ranks 7th highest in London in terms of alternative claimant count and has seen a 158% increase in claims since March 2020.

- The latest DWP statistics and analysis (December 20) show Haringey ranking 9th highest in London in terms of Universal Credit claimants with over 40,600 claimants. UC claimants has seen a 169% increase in claims since March 2020. Haringey ranks 5th in increase across London since March 2020.
- LIFT data shows there has been a 15% reduction in households in work between November 2019 and November 2020. Economic status data on LIFT shows 59.7% or 22,797 households were out of work, the highest proportion since August 2019.
- Nearly 5,000 low-income households are identified as having a monthly cash shortfall and an increasing proportion are facing rent arrears (4,368). Nearly 3,000 households are in council tax arrears and over 1,000 households are in rent arrears and face a cash shortfall.
- Housing affordability figures show that on average 39% of income is spent on rent but in the private rental sector it is much higher at 51%. Nearly 3 quarters (73%) of Haringey low-income residents pay unaffordable rent compared to 71% across London. Haringey is 7th highest out of 18 boroughs (sourced from LIFT Living Standard Index work). For private tenants who rent, 97% spend more than a third of their income on rent and for ESA claimants this is true for more than 9 in every 10 residents

6.6 In 2020/21 to date, 1241 awards have been made to 714 different claimants. As at 19/2/2021 DHP spend is £1,571,164.38 with further commitments so far of £212,600.84.

6.7 The following table gives a breakdown of the reasons for these awards. These recipients were suffering financial hardship and may have been made homeless without the support from the DHP.

6.8 DHP claims for the past two years (the figures for 2020/21 are for the period to 19 February, rather than a full year) are broken down as follows:

	Benefit Cap	Bedroom Tax	Local Housing Allowance	Other (including health reasons)	Total
2019/20 No. of awards	912	214	180	149	1455
2019/20 No. of claimants	301	145	138	112	696
2020/21 No. of awards	727	137	302	75	1241

2020/21 No. of claimants	334	107	218	65	724
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7. Contribution to Strategic Outcomes

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

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

8. Statutory Officers Comments

8.1 Legal

8.1.1 The Head of Legal and Governance has been consulted in the preparation of this report.

8.1.2 The Department of Work & Pensions Discretionary Housing Payments (DHP) Guidance Manual which includes the Local Authority Good Practice Guide was updated in January 2021. This manual provides guidance and advice on good practice when a DHP is being considered.

8.1.3 The legislative framework to Discretionary Housing Payments (DHPs) is set out in sections 69 & 70 of the Child Support Pensions and Social Security Act 2000, Discretionary Financial Assistance Regulations 2001 and the Universal Credit Regulations 2013 (SI 2013/630).

8.1.4 The Council has power to make Discretionary Housing Payments by virtue of section 69 of the Child Support Pensions and Social Security Act 2000 and regulation 2 of the Discretionary Financial Assistance Regulations 2001. The Council may make a DHP to persons who are entitled to housing benefit or a relevant award of universal credit, and appear to the Council to require some further financial assistance (in addition to the benefit to which they are entitled) in order to meet housing costs. The regulations provide the circumstances in which discretionary housing payments may be made and a limit on the amount that may be paid.

8.1.5 The regulations give local authorities a very broad discretion in framing a policy for administering DHPs. The Council has a discretion whether to make a DHP in a particular case, the amount of a payment, and the period for or in respect of which they are made. The Council may also review any decision it has made with respect to DHPs and, in certain circumstances, seek to recover payment.

8.1.6 Decisions about DHPs must be made in accordance with ordinary principles of good decision making and administrative law. There is a requirement to exercise discretion in individual cases, act fairly, reasonably and to apply a consistent

approach in dealing with applicants for DHPs. Each case must be assessed on its own merits and the policy must allow for unusual cases to receive proper consideration.

- 8.1.7 Under section 70 of the Child Support Pensions and Social Security Act 2000, the Secretary of State has a discretion to give authorities such as the Council such payments as he thinks fit in respect of the cost of making DHPs and the expenses involved in the administration. In addition to this central government contribution, local authorities can top up their DHP funding. In accordance with Article 7 of the DHP (Grants) Order 2001, the Council's total expenditure on DHP cannot exceed the limit of two and a half times the government contribution.
- 8.1.8 The DHP (Grants) Order 2001 requires Local Authorities to keep records relating to DHP expenditure.
- 8.1.9 Any unspent DHP funding must be returned to the DWP at the end of the financial year.
- 8.1.10 This policy acknowledges the legal framework and the guidance and takes account of public law duties when setting out how decisions about DHPs will be made.

8.2 Equalities

- 8.2.1 The Council has a public sector equality duty under the Equality Act 2010 to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 8.2.2 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/belief, sex, and sexual orientation. The first part of the duty also applies to the protected characteristic of marriage and civil partnership.
- 8.2.3 The purpose of Discretionary Housing Payments is to support residents who are facing housing problems and are vulnerable to becoming homeless. The 2021/22 DHP Policy is largely a continuation of previous policy, though with a decrease in overall funding coming from central government there will be less funding available to award to applicants.
- 8.2.4 Individuals who share certain protected characteristic are more likely to make a DHP claim and are therefore more likely to be affected by a reduction in available funding. However, eligibility criteria are applied in every case to ensure that the most vulnerable residents receive DHP funds, regardless of the group they belong to. See the attached EqIA for more information.

8.2.5 The DHP application process is online for Haringey residents, with offline application forms available on request from Haringey's Customer Service Centres. This does not pose any equalities challenges, provided that the offline option is well signposted and remains easily accessible to those who do not have access to, or do not know how to use, the internet. If this were not the case, there would be a risk that this could exclude some residents from applying for funds, particularly older residents and those with a disability who experience higher rates of digital exclusion.

8.3 Chief Finance Officer

8.3.1 At the time of writing this report the DWP have not confirmed the DHP allocation to Haringey for 2021/22. If notification arrives after this Cabinet meeting, Cabinet will be notified of the figure in the quarter one budget monitoring report.

8.3.2 As set out in paragraph 8.6 above local authorities can top up their DHP allocation with their own funds. The Council is not intending to spend more than their DWP allocation and therefore additional funds have not been set aside in the 2021/22 Budget and 2021-2026 MTFS Report. However, should the continuation of the pandemic give rise to an exceptional level of demand for DHP then it will be raised in the relevant quarterly budget monitoring report.

9. Use of Appendices

- Appendix A – Haringey's Discretionary Housing Payments Policy 2021/22
- Appendix B – EQIA

10. Local Government (Access to Information) Act 1985

10.1 N/A