

Report for: Cabinet Member Signing, 04th April 2017

Title: Haringey's Discretionary Housing Payments Policy for 2017/18

Report authorised by: Tracie Evans, Chief Operating Officer

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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 can play an important role in sustaining tenancies, preventing homelessness and, where needed, enabling tenants to move to affordable accommodation.
- 1.3 In 2016/17, the total DHP grant budget (shared between all local authorities in England, Scotland and Wales) was £150 million. Haringey's share was £1,726,627.
- 1.4 The Council's DHP allocation for 2017/18 is £1,752,132.
- 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 2017/18 limited DHP resources are used in a way that is not only fair but also supports those households that are in most need of assistance.

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 2017/18, 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 1.48% increase in our DHP allocation will be insufficient 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. With the resources at our disposal, Haringey will ensure that the DHP policy for 2017/18 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 Resources and Culture:
- 3.2** Approves Haringey's Discretionary Housing Payments Policy 2017/18 (see Appendix A) as the means by which the Council will determine how the DHP funds will be allocated during the 2017/18 financial year having regard to the Equalities Impact Assessment (set out in Appendix B)
- 3.3** Notes recommended changes to the policy for 2017/18 taking account of the review of DHP policy as follows:
- 3.4** We have clarified the wording of the policy regarding lump sum payments. To confirm that a lump sum payment of DHP for a deposit or rent in advance is permissible. We need to be satisfied that the claimant would be entitled to HB or UC at the point the award is made. The lump sum payment is not made in respect of any HB award.

4. Alternative options considered

- 4.1** 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; as such this option is viable; with the inclusion of the clarification regarding lump sum payment awards.

5. Background information

- 5.1** 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. They are increasingly being used to assist those affected by welfare reform.
- 5.2** 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.
- 5.3** 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.

5.4 Our allocation for 2017/2018 is £ 1,752,132.

5.5 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.

5.6 Haringey's current DHP policy was approved through Cabinet Member signing in March 2016. The Benefits service has completed a review of the Discretionary Housing Payments policy aimed at ensuring the policy is delivered in a fair and consistent manner. The review has highlighted the need for clarification in the wording of the policy as set out in (Para 3.4)

5.7 Changes to the Policy for 2017/2018 (Para 3.4)

5.8 We have clarified the wording of the policy regarding lump sum payments. To confirm that a lump sum payment of DHP for a deposit or rent in advance is permissible. We need to be satisfied that the claimant would be entitled to HB or UC at the point the award is made. The lump sum payment is not made in respect of any HB award.

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

5.10 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.

6. 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

7. Statutory Officers Comments

Assistant Director of Corporate Governance

- 7.1 The Assistant Director of Corporate Governance has been consulted in the preparation of this report.
- 7.2 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 (DHP’s). 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.
- 7.3 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.
- 7.4 Given the discretionary nature of the scheme, the Council is able to change its priorities and amend its scheme accordingly.
- 7.5 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.

Equality and Community Cohesion Comments

- 7.6 The Council is subject to the Public Sector Equalities Duty (“PSED”) set out in section 149 of the Equalities Act 2010 which obliges the Council in performing its functions “to have due regard to the need to:

- I) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- II) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- III) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it”.

The protected characteristics under the legislation are age, sex, ethnic origin, sexual orientation, disability, religion or belief, pregnancy or maternity and gender reassignment, marriage and civil partnership.

- 7.7 The Council’s Public Sector Equality Duty has been considered and an equalities impact assessment is not required because the discretionary policy we propose for 2017/18 is being passed for Member Approval with only a minor wording clarification. As such there is no significant change to the previous 2016/17 policy, where an Equalities Impact Assessment was conducted. There are no concerns that the existing or proposed policy exposes any protected characteristic or disadvantaged group to discrimination or inequality. The policy by law, particularly targets any people in receipt of Housing Benefit or the

housing element of Universal Credit, who are suffering exceptional financial hardship, so the policy aims to help those most in need.

- 7.8** Nationally the major policy change during 2016/17 was the reduction of the Benefit Cap in November 2016 from £26,000 to £23,000 in London. Section 9.3 of this report sets out how the Council expects this to affect Haringey households in receipt of Housing Benefit. The total allocation of DHP to Haringey for 2017/18 has increased, but the Council acknowledges that this does not offset the predicted loss in Housing Benefit for Haringey residents affected by the cap.
- 7.9** The Council will continue to monitor successful/unsuccessful awards against protected characteristics to ensure that no groups are more affected than any other.

Chief Finance Officer Comments

- 8.** The Council's DHP allocation for 2017/18 is £1,752,132; any decisions to award DHP above this figure during the course of the year will have a direct financial implication as it will need to be funded from Council resources. However, targeted short term financial interventions can be beneficial in reducing or avoiding cost pressures in other parts of the Council. It is therefore recommended that cost benefit modelling is used to aid this decision making.

9. Use of Appendices

Appendix A Haringey's Discretionary Housing Payments Policy 2017/18
Appendix B EQIA 2016/17
Benefit Cap Briefing

10. Local Government (Access to Information) Act 1985