

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 19th March 2018

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WARD(S): All

PORTFOLIO: Cllr Mohammed Nazir, Cabinet Member for
Corporate Finance & Housing

PART I **KEY DECISION**

DISCRETIONARY HOUSING PAYMENTS 2018-19

1 Purpose of Report

To provide a revised Council policy for the financial year 2018-19 in respect of

- Discretionary Housing Payments (DHP)

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that the policy for Discretionary Housing Payments as set out in Appendix A be approved.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

This report supports the 5 Year Plan through support to housing outcome and adults outcome through the use of the Discretionary Housing Payments funding stream.

3a Slough Joint Wellbeing Strategy Priorities

This report sets out the policies to ensure that residents of Slough can maintain their tenancies in the wake of continuing welfare reforms and thereby ensuring that children remain in a stable environment. It will help reduce the number of families who declare themselves homeless as paying DHP should help maintain their tenancies and help them back into a work environment. ,

3b Five Year Plan Outcomes

This report will primarily have implications for Outcomes 1, 2 and 4, as it will assist customers to remain in their own homes within the borough, it

will support tenants both in the private rented sector and council tenancies to become more independent financially.

4 Other Implications

(a) Financial

The Council proposes to maintain spend within the grant allocation for DHP so as not to put any additional pressure on the Council's general fund budget.

The grant awarded by the Department of Work and Pensions (DWP) for 2018-19 for Slough Borough Council is £649,394.

The overall limit that can be spent on DHP is 2.5 x the grant awarded to each individual Local Authority and for Slough this would be up to £1,623,484.

In order to achieve this, the Council would need to contribute £974,090 to the DHP fund.

In previous years the Council has spent up to the grant awarded and this is the intention for 2018-19.

(b) Risk Management

Recommendation from section 2 above	Risks/Threats/ Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
To approve the following policy Discretionary Housing Payments.	The aim of the policy is to support customers in the main affected by the Welfare Reform changes, helping those to maintain their home and to ensure that they are helped into work or to find cheaper alternative accommodation.	The policy is very specific on the criteria for award. The policy is also very specific on the time periods for the award and no payment will be made beyond the end of the 2018-19 financial year The income and expenditure	6 (Risk of overall increase in expenditure is low as this is monitored on a monthly basis but information is available on a daily basis should it be needed. The severity should this happen will be marginal as the amount of loss would be	Policies will be reviewed annually.

		will be monitored on a monthly basis throughout the 2018-19 financial year.	only a small payment in relation to the overall grant	
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(c) Human Rights Act and Other Legal Implications

There are no direct legal implications.

(d) Equalities Impact Assessment

A completed EIA is attached at Appendix B.

5 Supporting Information

5.1 The Discretionary Hardship Payments (DHP) policy is included in appendix A.

5.2 Discretionary Hardship Payments within Housing Benefits have been available for a number of years but have been at a reasonably low level, however with the introduction of the Welfare Reform agenda they have taken a much higher profile and government has awarded higher grants

5.3 The grant for 2018-19 is £649,394 which is £111,177 lower than 2017-18.

5.4 Previous years grants are listed below

Year	Amount
2014-15	£672,479
2015-16	£429,112
2016-17	£580,935
2017-18	£760,571
2018-19	£649,394

5.5 The intention by Government was for this to assist in respect of the welfare reforms such as the bedroom tax, benefit cap etc.

5.6 The Welfare Reform agenda has continued to grow; the benefit cap was reduced again in December 2016 for household in Slough and around the country. The government increased the DHP grant in 2016-17 and produced a five year plan for the budgeting of these grants in line with the changes.

- 5.7 The five year plan saw an increase in budget in 2016-17, and a further increase in 2017-18 due to the introduction of a lower HB Cap, but the grant has now begun to reduce year on year.
- 5.8 The Department of work and Pensions suggests that the award of the DHP grant to customers should in the following region for 2018-19, though this is not mandatory.

Allocation	% Amount
Core Funding*	12%
Local Housing Allowance shortfall	18%
Spare Room Subsidy Shortfall	35%
Benefit Cap Shortfall	35%

*Core funding is the amount awarded before welfare reform to council's for exception circumstances not listed

- 5.8 The government grant allocation allows Council's to "top-up" the amount of spend available from their own funds and this is limited to Slough to a total £1,623,484, however it is not our intention to make any additional payments . It is intended that spend will remain in line with the government grant allocation.
- 5.9 The Council has spent in line with the grant allocation in previous years
- 5.10 In 2017-18 to the end of February 2018 the Council is on track to spend the whole of the 2017-18 grant of £760, 571
- 5.11 The awards in 2017-18 to date are broken down as follows – all figures are to 20th February 2018.

Applications 838
Awards 551

Reason for Award	Number of Awards	Total Amount of Awards	% of spend
Local Housing Allowance Shortfall	98	£157,796	22%
Spare Room Subsidy Shortfall	61	£74,188	10%
Benefit Cap Shortfall	291	£349,579	48%

Core funding Shortfall	75	£109,535	15%
Rent Deposits	26	£40,033	5%
Total*	551	£731,131*	100%

*Figures to 20th February 2018

5.12 The reduction in the Benefits Cap in December 2016 has seen spend in this area increase from 20% of the budget in 2015-16 to 48% of the budget in 2017-18 which has meant corresponding reductions in other area.

5.13 Core Funding shortfall includes, those who are under 35 and are restricted to a single room rent, those whose income would be below the means test and other similar situations.

5.14 The changes for the financial year 2018-19 are to ensure that the policy remains in line with the legislation, new caselaw that has come into being and clarifications which have been identified throughout the year, changes to reflect the reduction in grant as well as the core principals adopted by the Welfare Reform agenda and Slough Borough Council.

5.15 The changes relate to

- The introduction of Full Service Universal Credit in Slough in from April 2018.
- The introduction of the Homeless Reduction Act from April 2018

In addition because of the reduction in the grant award changes have been made to the policy which will reduce the spend in line with the grant – these include:

- Reduction in the amount of backdated award from up to 1 year to 2 months only
- Stricter criteria for people to provide evidence of the activities that Customers have undertaken to reduce the effect of the benefits cap e.g. finding work, moving to cheaper alternative accommodation,
- Stricter criteria for those getting DHP because of the removal of the Spare Room Subsidy e.g. ensuring they are on the Housing transfer list etc

5.16 The Council aim is to support customers to maintain their home and where this is not possible to support customers to move to cheaper alternative accommodation.

5.17 The policy also aims to support homeless families or those threatened with homeless by helping with rent deposits for alternative accommodation.

6 **Comments of Other Committees**

This report has not been considered by any other committees.

7 **Conclusion**

That Members are requested to review and approve this policy.

8 **Appendices Attached**

'A' - DHP policy

'B' - EIA DHP

9 **Background Papers**

- "1" - Welfare Reform Act 2012
- "2" - Discretionary Financial Assistance Regulations 2001 (and amendments)
- "3" - Council Tax Benefit abolition (consequential amendments) regulations 2013
- "4" - Universal Credit consequential amendments regulations 2013.
- "5" - Discretionary Housing Payments Guidance Manual December 2016
- "6" - Discretionary Housing Payments Good Practice Manual December 2016