



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

#### 4 **Other Implications**

##### (a) Financial

- 4.1 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.
- 4.2 The grant awarded by the Department of Work and Pensions (DWP) for 2020-21 for Slough Borough Council is £848,666.
- 4.3 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 £2,121,665.
- 4.4 In order to achieve this, the Council would need to contribute £1,272,999 to the DHP fund.
- 4.5 In previous years the Council has spent up to the grant awarded and this is the intention for 2020-21.

##### (a) 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 2020-21 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 2020-21 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 intention by Government was for this to assist in respect of the welfare reforms such as the bedroom tax, benefit cap etc.
- 5.4 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.
- 5.5 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 then began to reduce year on year.
- 5.6 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
2019-20	£650,504

- 5.7 The grant for 2020-21 is £848,666 which is £198,162 more than the financial year 2019-20. The reason for the increase this year is that at the Spending Round in September 2019, Treasury confirmed an additional £40m in funding for DHPs for 2020/21. This funding was awarded to support the most vulnerable living in the private rented sector and has been shared between those LAs that did not underspend their government DHP allocation in 2018-19.
- 5.8 It has been noted that those LAs who spent less than 60% of their Central Government DHP funding in 2018/19 have had their 2020/21 allocation reduced by 20% or 40% depending on the proportion and value of their underspend.
- 5.9 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 £1,272,999, 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.
- 5.10 The Council has spent in line with the grant allocation in previous years
- 5.11 In 2019-20 to the end of January 2020 the Council is below profile on spending the whole award though work is being done to increase the spend where possible.
- 5.12 The awards in 2019-20 to date are broken down as follows – all figures are to 20 February 2020.

Reason for Award	Number of Awards	Total Amount of Awards	% of spend
Local Housing Allowance Shortfall	8	£8070	2%
Spare Room Subsidy Shortfall	7	£1643	1%
Benefit Cap Shortfall	102	£193,802	49%
Core funding Shortfall	254	£144,171	37%
Rent Deposits	77	£43,840	11%
Total*	241	£393,183*	100%

\*Figures to 20 February 2020

- 5.13 The reduction in the Benefits Cap in December 2016 has seen spend in this area increase from 20% of the budget in 2015-16, 46% of the spend in 2018-19 and currently stands at 49% for 2019-20.
- 5.14 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.
- 5.15 The changes for the financial year 2020-21 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 increase in grant as well as the core principals adopted by the Welfare Reform agenda and Slough Borough Council.
- 5.16 In addition as officers have worked with customers to reduce the benefit cap, for example helping people into work which removes the benefit cap the amount of DHP paid in certain areas has reduced which will allow us to increase spend in other areas.
- 5.17 The changes made to the policy relate to:

Expanding the list of the types of applications that should be prioritised to include:

- Households where a member is terminally ill
- Customers who are newly affected by the benefits cap during 2020-21 due to changes in circumstances (i.e. not those who take on a new property which is over and above the cap rate) will be given priority over those that have received DHP for a number of years and were affected by the original benefits cap.
- Households requiring an extra bedroom under child access arrangements
- Households where children are on an age threshold which would result in an additional bedroom entitlement within the next 12 months (re-worded)
- Households where claimant is within 12 months of pension credit qualifying age. (re-worded)
- Households requiring an extra bedroom for a student studying at university providing the student is not in receipt of housing benefit and the bedroom is not sublet during their absence.
- Households that are prevented from moving to alternative lower cost accommodation due to rent arrears.

The policy has also been amended to reflect the legislative changes introduced by the Tenants Fees Act 2019:

- The Council wishes to support customers to move to cheaper alternative accommodation and considers a damage deposit and notes the restrictions placed upon landlords and Letting Agents by the

Tenants Fees Act 2019. As such the Council will only pay the equivalent 5 weeks rent at LHA rate a reasonable deposit for properties up to 2 bedrooms and 6 weeks rent at LHA up to 4 bedrooms (4 weeks and 8 weeks maximum removed). (3.73)

- The Council will not pay an Admin Fee for the Letting Agent to carry out the administrative actions of letting the property as these have been banned by the Tenant Fees 2019 Act. (3.83)

5.18 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.

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

5.20 In addition more proactive work will be done during 2020-21 by both the Benefits Service and the Housing Service to increase take up of DHPs.

## 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 August 2019

"6" - Discretionary Housing Payments Good Practice Manual August 2019