
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)	AGENDA ITEM:11
DATE OF MEETING:	21 JULY 2022	CATEGORY: DELEGATED/
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	ELIZABETH BARTON (01283 595779) elizabeth.barton@southderbyshire.gov.uk	DOC:
SUBJECT:	DISCRETIONARY HOUSING PAYMENT FUND ENHANCEMENTS 2022/2023	REF:
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 12

1.0 Recommendations

- 1.1 That the Committee approves a total of £56,586.97 is transferred into the Council's Discretionary Housing Payments (DHP) budget.
- 1.2 The Committee approves that a further £30,000 is set aside in a separate DHP rent arrears top-up budget.
- 1.3 That Committee approves the Council's updated DHP Policy (see Appendix 1).

2.0 Purpose of Report

- 2.1 To update the Committee on the Council's delivery of DHP in 2021/2022.
- 2.2 To update the Committee on the 2022/2023 DHP funding allocation from government.
- 2.3 To request the Committee approves the transfer of £56,586.97 into the DHP budget and £30,000 in to a separate DHP rent arrears top-up budget. The combined funding (£86,586.97) is comprised of an underspend in the Council's 2021/2022 Council Tax Hardship Fund allocation, and a carry forward of COVID funding that was initially allocated to 2021/2022's Discretionary Housing Payments.

3.0 Executive Summary

- 3.1 DHPs provide local tenants facing severe financial hardship, or where their tenancy may be at risk, (including council, social landlord and private landlord tenants) with emergency financial help towards their rent. To be eligible for help, tenants need to be in receipt of housing benefit or the housing element of Universal Credit.
- 3.2 The Council's allocation of funding to support DHPs from the Government, has been reducing year-on-year, despite increasing financial vulnerability across the community, particularly as a result of the energy crisis.

- 3.3 The government allocated £156,990 DHP funding to the Council in 2020/2021, £86,879 (later bolstered to £120,960 – see 4.2) in 2021/2022 and has so far allocated £83,991 for 2022/2023.
- 3.4 Given the increasing financial need across the district, the Council is keen to bolster the funding available for DHPs and associated need.
- 3.5 The Council is also keen to establish a DHP rent arrears top-up budget to supplement payments to residents who are ready to move to more financially sustainable accommodation, but whose rent arrears cannot be paid off fully through the DHP budget, due to regulations linked to how this money is spent, and so are unable to move.

4 Detail

- 4.1 Due to limited funds, DHPs are only a short-term measure and as such are often designed to help residents' financial position to become more sustainable. For example, to provide additional financial support while the customer adjusts their expenditure that allows them to prioritise their rent.
- 4.2 During 2021/2022, despite a low initial Government allocation, the Council's DHP budget was bolstered in a number of ways, as detailed below:

Amount	Funding	Funding requirement	Outcome
£40,000	In response to the drop in funding, Finance & Management Committee approved an allocation of funding from the Council's COVID-19 budget. This was approved before the top-up (see below) was confirmed.	As this was a Council allocation, this did not have to be spent in year and can be carried forward.	This was not spent (see 4.5).
£34,081	The government awarded a top-up Discretionary Housing Payment allocation.	This took the total government contribution for 2021/2022 to £120,960 which had to be spent in year.	This was fully spent.
£81,009	The Council received an allocation from the Household Support Fund administered by Derbyshire County Council	This had to be spent by 31 March 2022.	This was fully spent.

- 4.3 In 2021/2022 the team distributed just over £200,000 in DHPs to 206 residents, with an average payment of just under £1,000.
- 4.4 Because the Council has a limited DHP budget, the team ensures it is spread out evenly across the year, to ensure the Council can continue to help the most financially vulnerable residents, whilst not running out of funding in the first few months of the year.

- 4.5 Because neither the top-up allocation of DHP funding nor the HSF monies were anticipated and arrived later in the financial year, whilst the team more than doubled its initial government allocation in terms of total spend, it was unable to allocate the Council COVID funding (£40,000) it was allocated for 2021/2022. This is because each DHP case is complex and requires detailed assessment, and as such, the team can only process a certain number of cases within any given timeframe.
- 4.6 Given the increase in the number of residents facing financial hardship across the district, the Council wishes to boost the support available to people who are struggling to meet their housing costs in 2022/2023 and beyond using the following sources:
- The carry forward the unspent £40,000 from the 2021/2022 DHP budget (see 4.5).
 - The transfer £46,586.97¹ from the Council Tax Hardship Fund. The Council Tax Hardship Funding was provided by the Government to support a reduction in resident's Council Tax bills in response to COVID but was not spent in full as the caseload did not require it. The funding is not ring-fenced or timebound and can be used for other welfare purposes, such as DHPs.
- 4.7 The combined funding (£86,586.97) will then be split into a £56,586.97 top-up for the DHP budget, and £30,000 for a new DHP rent arrears top-up budget (see 4.8 – 4.13).
- 4.8 Together these funds will bolster the support available to people who are struggling to meet their housing costs. The DHP budget would be bolstered to £140,577.97 (£83,991 government allocation plus £56,586.97) for 2022/2023. The DHP funding would then be supplemented by the £30,000 rent arrears top-up budget to be spent in 2022/2023 and beyond (if not fully utilised within year).
- 4.9 Together this additional funding will bring the amount of funding available to support residents struggling to meet their housing costs closer to the amount allocated in 2021/2022. Given the increasing financial vulnerability of residents across the district, particularly in relation to the energy crisis, the demand for such funds is set to remain high and the funding will enable even more vulnerable residents to be supported.

DHP rent arrears top-up budget

- 4.8 The primary aim of DHPs is to provide additional financial help to those facing restrictions due to Welfare Reform.
- 4.9 Guidance from the Department of Work and Pensions (issued 27/05/2022) states that DHP funding (including any Council contribution) can only be used for rent arrears if the arrears were accrued during a period in which the applicant was in receipt of housing benefit or UC housing element.
- 4.10 This means residents who accrued rent arrears during a period they were entitled for benefits, but did not claim them, or accrued rent arrears for another reason, would not be be entitled to have their rent arrears paid off through the DHP budget, and as such could be prevented from moving into a more financially sustainable home.

¹ There was a total underspend of £51,586.97 in Council Tax Hardship Fund, however £5,000 is being held back to provide awards to cases that backdate into last financial year. This leaves a total of £46,586.97 available.

- 4.11 Because of this the Council is keen to set aside £30,000 of the available funds into a DHP rent arrears top-up budget. This budget would be available to the DHP assessment team to support residents who are eligible for a DHP, but who have ineligible rent arrears, and as such are unable to move to a more financially sustainable home. In such instances, where the tenant has secured an alternative property to move into, the Council will consider topping-up the DHP payment with additional funds from the DHP rent arrears top-up budget, to facilitate the move. This will both make the resident more financially sustainable into the future, and free up much needed larger properties for other local residents. Where residents do not have new accommodation lined up (including evidence of the new tenancy), they will not be eligible for top-up funds. The team will work closely with the housing team to support residents in council accommodation, who wish to move and have an opportunity to do so, and are eligible for additional support through the scheme.
- 4.12 The top-up pot will also offer the team the opportunity to offer financial support to residents who will struggle to physically move to their new home due to a lack of funds, and as such will have to remain in financially unsustainable accommodation accruing further arrears.
- 4.13 The success of the top-up budget will be monitored to provide information to Finance & Management committee in future with regards to any future possible extension of the budget.

5.0 Financial Implications

- 5.1 The underspend of 2021/2022 Council Tax Hardship Fund allocation and the Council's unspent 2021/2022's allocation of funding to the Discretionary Housing Payments budget are not ring fenced, and as such can be carried forward into future years' allocations.
- 5.2 The Council is permitted to increase the total amount of Discretionary Housing Payments it makes locally (including the Government allocation) by up to 2.5 times the Government allocation. The increased budget is within this threshold.
- 5.3 The processing of Discretionary Housing Payments cases can be supported within existing staffing resources.
- 5.3 As such, there are no additional financial implications arising from the proposals contained in this report.

6.0 Corporate Implications

- 6.1 None.

7.0. Community Implications

- 7.1 Residents in all types of rented accommodation across the district will be positively supported via the increased budget.

8.0 Conclusions

- 8.1 The Discretionary Housing Payments budget supports hundreds of residents across the district facing severe financial hardship and helps to keep them in their homes or makes it possible for them to move into more financially sustainable accommodation.
- 8.2 The drop in Government funding comes at a time when even more residents across the district are facing financial hardship, some for the very first time.
- 8.3 The bolstering of the fund/funding available to financially vulnerable residents will ensure the Council can continue to support as many financially vulnerable residents as possible during 2022/2023.
- 8.4 The Council should however note that a far fewer number of residents will be able to be supported in future years, unless the Government allocation is increased significantly in response to the energy crisis, or the Council chooses to divert further funds to support such initiatives.

9.0 Background Papers

Appendix 1 - DHP Policy