

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – 11 OCTOBER 2016**

Title of report	<b>CHANGES TO DISCRETIONARY HOUSING PAYMENTS (DHPs)</b>
Key Decision	a) Financial Yes b) Community Yes
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Purpose of report	To present to Members the option of continuing to pay DHP contributions at 100% for at least three months and then if there are reasonable grounds, to continue with the same or reduce the award to 50%
Reason for Decision	To allocate DHP to claimants of Housing Benefit who need further financial assistance with housing costs
Council Priorities	Homes and Communities - the DHP funding from Central Government assists the Council in helping families and individuals in need.
Implications:	
Financial/Staff	As contained in the report.
Link to relevant CAT	None.
Risk Management	The DHP funding will be managed and monitored on a regular basis to ensure the funding is allocated as per the budget
Equalities Impact Screening	Not applicable.
Human Rights	There are no Human Rights implications.
Transformational Government	Not applicable.
Comments of Head of Paid Service	Report is satisfactory
Comments of Deputy Section 151 Officer	As report author the report is satisfactory

Comments of Monitoring Officer	Report is satisfactory
Consultees	Strategy Group
Background papers	<a href="#">Changes to Discretionary Housing Payments (DHPs) - Cabinet 08 March 2016</a>
Recommendations	<p><b>THAT CABINET AGREES THAT:</b></p> <ol style="list-style-type: none"> <li><b>1. CONTRARY TO THE 2016/17 DISCRETIONARY HOUSING PAYMENT (DHP) SCHEME, 100% DHP IS PAID FOR MONTHS SEVEN TO NINE OF 2016/17.</b></li> <li><b>2. IF THERE IS ADEQUATE FUNDING AT THE END OF MONTH NINE, DHP WILL CONTINUE TO BE PAID AT 100% FOR THE FINAL THREE MONTHS OF THE 2016/17 YEAR. IN THE EVENT OF INADEQUATE FUNDING, THE COUNCIL WILL REVERT BACK TO THE SCHEME AND REDUCE SUPPORT TO 50% FOR THE FINAL THREE MONTHS OF THE 2016/17 YEAR.</b></li> <li><b>3. AT THE END OF DECEMBER 2016 THE INTERIM DIRECTOR OF RESOURCES WILL CONSULT WITH THE CORPORATE PORTFOLIO HOLDER ON THE FUNDING POSITION PRIOR TO A DECISION BEING MADE.</b></li> </ol>

## 1. BACKGROUND

- 1.1 Discretionary Housing Payments (DHPs) provide extra help to claimants in receipt of Housing Benefit who need further financial assistance with housing costs. This will usually be because there is a shortfall between the amount of benefit they receive and their rent liability.
- 1.2 The length of time over which an award can be made is decided by the Council. However the authority has to be mindful of the funding available and not exceed the budgeted amount.
- 1.3 The Council has been allocated DHP Grant of £114,965 for 2016/17. Any unspent grant is returned to the Government.
- 1.4 In March 2016, Cabinet agreed a new Scheme for allocating DHP for 2016/17. Rather than pay 100% DHP for 12 months, the new Scheme paid 100% DHP for the first six months and then reduced to 50% for the next three months and then, if there were reasonable grounds at the end of the nine month period, the Council would carry on paying 50%. The reason for introducing this Scheme was that funding had been exceeded in 2015/16.

## 2. REASONS FOR CHANGING DHP SCHEME IN YEAR

- 2.1 There has been a reduction in the number of claimants for DHP this year compared to last year. As at 31 August, 133 DHP claims had been processed compared to 169 claims at the same time last year. There are a number of possible reasons for this – the main ones being: claimants obtaining employment and / or reducing dependency on benefits, and claimants moving to smaller accommodation or having made other arrangements such as residing with family or friends.

2.2 As at 31 August, expenditure of around £40,000 has been incurred by the Council based on 100% DHP entitlement. If we continue to pay DHP contribution in line with the 2016/17 Scheme (i.e. 50% for the next six months), the estimated DHP contribution for the year will be in the region of £72,000. This means we will have to return an unspent grant of approximately £43,000 back to the Government.

### **3. CABINET APPROVAL**

3.1 It must be noted that forecasting future spend is difficult because of the unpredictability of future demand. However, as there is sufficient Government funding as at end of August, it is recommended that Cabinet approves the continuation of 100% DHP for the next three months and then, if there is adequate funding at the end of this period, to carry on paying 100% for the final three months of 2016/17. If there is inadequate funding, the support will be reduced to 50% for the final three months.

3.2 No further approval is required to enact the above recommendations and at the end of December the Interim Director of Resources will consult with the Corporate Portfolio Holder on the funding position prior to a decision being made.