

## **Discretionary Housing Payment Policy priorities 2021**

The Government contribution to the DHP fund has been cut substantially for 2021/22. The provisional allocation for Epping is £79,564. This is based on an initial Treasury settlement of £100 million. This compares with a 20/21 allocation of £143,780. This is a fall of 45%. The DWP has stated that there will be a further £40 million distributed to authorities during 2021/22 but we do not know the formula for this yet. Potentially, if the same formula is used as for the initial £100 million allocation, this could result in a further £31,826 for Epping during 2021/22, making a maximum Government allocation of £111,390 for this year.

Expenditure on DHPs for 2020/21 was £175,638, an overspend on our 2020/21 budget of £31,858. This was financed by an underspend on our CT Hardship fund for 2020/21. We no longer have this 'reserve' fund to rely on in 2021 and so a reappraisal of our DHP priorities is necessary to avoid another overspend in 2021/22. Even with a reprioritisation of expenditure it might not be possible to keep expenditure within the limited Government allocation for 2021/22.

Although, the authority cannot 'fetter its discretion' in relation to DHP decision making, it is reasonable to look at those cases where there is clearly a greater need for funds to be used. In no particular order these are;

### Benefit Cap cases

The benefit cap limits the amount of money a person can receive through the benefit system. This limit includes benefit help with rent payments either through the housing benefit scheme or through universal credit rent costs. The current limits for people living in the Epping Forest District are £384.62 per week (£20,000 pa) for couples and lone parents, and £257.69 per week (£13,400 pa) for single claimants. The benefit cap can severely impact on a person's ability to pay their rent and these cases will need investigation and will possibly need to be helped through the DHP scheme.

Help is unlikely to be long term though as there are ways a person can avoid the benefit cap and awards will be conditional on steps being taken to maximise income. If you work for at least 16 hours per week (HB rules) or earn at least £617 per month (UC rules), you will be exempt from the benefit cap. Further exemptions include a limited capability for work assessment by the DWP, receipt of carer's allowance, and you or a member of your family being in receipt of DLA care or PIP. Advice on work and these other exemptions should be provided if an award is agreed and a reasonable expectation that this will be pursued before any further award is agreed.

### Bedroom tax – unable to move (disability adaptations)

The Restriction to the Spare Room Subsidy (known as the bedroom tax) was introduced by the Government in 2013 and applies to social housing tenants who have a spare bedroom or bedrooms. The 'tax' is applied to 14% of rent costs for one spare room and 25% of rent costs for 2 or more spare rooms. In most cases a person can 'downsize' in a relatively short time should they take steps to do this. Our own tenants are given high priority and will also be eligible for a downsizing payment. Given this, and the relatively small amount of reduction (typically a 14% reduction is less than £20 per week), most 'bedroom tax' cases will not be a priority. Also, there has been a £20.00 per week uplift in universal credit since April 2020 more than compensating most 'bedroom tax' cases.

However, certain people subject to the 'bedroom tax' are unable to move even if they wanted to. Most of these will be people with disabilities whose accommodation has already been adapted for their disability. To move would be difficult if not impossible and any expectation

to do so on our part would be unreasonable. It would therefore be appropriate to give these cases some priority, although reasonable affordability checks should also be made before an award is agreed.

#### Previous homeless

Homelessness increases vulnerability and stability in housing should be a priority for people who have previously been homeless, particularly the rough sleepers who have been 'picked up' during the pandemic. Prior agreement has been reached with Housing to help many of these by way of a DHP in order to maintain their current accommodation. Many previously homeless are young singles who are subject to a much harsher benefit regime when it comes to housing costs. A DHP can help these people stay in their accommodation thus providing them with stability.

#### Job loss (short term)

The pandemic has created uncertainty in the employment market which has to some extent been helped by the Government's furlough scheme and the self-employed income support scheme, both designed to avoid mass unemployment. However, the financial crisis caused by job loss is one that can be helped by supporting people with their rent payments for a limited period. A person previously able to afford their rent whilst working might need extra assistance following their application for universal credit. A suggested period of 3 months could be paid to help a person get back into work without the threat of losing their home.

#### Pregnant (change in room requirement LHA/Bedroom tax)

If the birth of a child will increase a bedroom requirement the DHP scheme can be used to cover a 'bedroom tax' or LHA shortfall leading up to the birth. This is subject to an overall affordability assessment of the property ie will it be affordable following the birth?

#### Rent deposit to more affordable accommodation

Help with rent deposits to move to more affordable accommodation is an effective use of DHP funds. They are a one-off payment to help with housing affordability. Future rent payments should be affordable without further resort to the DHP fund, before a deposit award is agreed.

The above priorities do not exclude awards of DHPs on other exceptional cases. Due regard needs to be had to all circumstances of a claim before a decision can be made. However, the above are identified as current priorities given the limited funds available for 2021/22.