

# CABINET

Tuesday 24 May 2022

## DISCRETIONARY HOUSING PAYMENT POLICY AND WAR PENSIONS LOCAL SCHEME

### Report of the Service Manager of Housing Benefit and Council Tax Support

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#### Recommendation(s)

It is recommended that Cabinet:

- (1) Approves the attached Discretionary Housing Payment policy at Appendix 1.
  - (2) Continues to disregard all income related to War Pensions when calculating entitlement to Housing Benefit/Council Tax Support.
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#### Summary

Each year the Department for Work and Pensions (DWP) makes grants available to local authorities for Discretionary Housing Payment (DHP) purposes and a report is taken to Cabinet with an updated DHP policy to reflect the new funding allocation.

The main objective of the DHP policy is the prevention of homelessness and to sustain tenancies.

Local authorities have the discretion to completely disregard war pension related incomes when calculating entitlement to Council Tax Support and Housing Benefit.

#### Statutory Powers

The legislative framework to Discretionary Housing Payments (DHPs) is set out in sections 69 & 70 of the Child Support, Pensions and Social Security Act 2000, Discretionary Financial Assistance Regulations 2001 and the Universal Credit Regulations 2013 (SI 2013/630).

The Housing Benefit Regulations 2006 make provision for the first £10.00 of income from War Widows (Widowers)/War Disablement Scheme and the Armed Forces Compensation Scheme to be disregarded in any benefit assessment. The Social Security Administration Act 1992 gives the Council discretion to disregard any amount it chooses in addition to the statutory provision.

Since the Abolition of Council Tax Benefit in 2013 and the introduction of Local Council Tax Support schemes, councils have had the discretion on how much of the income is to

be disregarded.

## **Strategic Implications**

- 1.1 The stated aims of both the DHP policy and Local War Pension scheme support our corporate priorities, as outlined in the Corporate Plan (2015-2025) with an aspiration to improve the health and wellbeing of people who live and work in the borough as a core component of supporting and creating sustainable communities. We want all our residents and people working in the borough to live long, healthy and happy lives. The policy in question aims to achieve this by:
- Sustaining tenancies and preventing homelessness.
  - Providing early help and intervention
  - Ensuring residents can find and keep good quality employment
  - Supporting the vulnerable and elderly to live independent lives
  - Creating a fair and equal borough by tackling the underlying factors of poverty and disadvantage
  - Providing early help and intervention.

## **Introduction**

- 2.1 Discretionary Housing Payments are short-term awards administered by Local Authorities to help people with housing costs. They can play an important role in sustaining tenancies, preventing homelessness, and enabling tenants to move to more affordable accommodation. Increasingly, DHPs are being given to assist those affected by welfare reform.
- 2.2 The award of a DHP is discretionary and must be made in accordance with the Discretionary Financial Assistance Regulations 2001 and with the ordinary principles of good decision-making. The Council has a duty to act fairly, reasonably, and consistently.
- 2.3 The attached DHP policy, if approved, will support this decision-making process, enabling fair and consistent decisions to be made in a timely manner.
- 2.4 The War Pension scheme was established to compensate those veterans who suffered injuries or illness while serving their country, while the War Widow(er)'s Pension are for those whose spouse died while serving.
- 2.5 Under current rules, any money above £10 from a War Pension or Widow(er)'s Pension can be counted as income when calculating entitlement to Housing Benefit. However, councils can choose to disregard up to 100% of the income.
- 2.6 The total number of claimants in receipt of the prescribed incomes have fallen over the past 10 years with only 8 claims in the 2020-21 subsidy year

benefitting from the policy. It is recommended that Council continues to implement this policy of disregarding 100% of War Pension income.

## Financial Implications

- 3.1 The Council has been allocated £120,789 for 2022/23 and the DHP (Grants) Order 2001 requires Local Authorities to keep records relating to DHP expenditure and this is monitored monthly
- 3.2 Any unspent DHP funding must be returned to the DWP at the end of the financial year.
- 3.3 In 2021/22 our allocation was £173,955 and total number of awards made is 133. As at 31/3/2022 DHP spend was £165,996.
- 3.4 The following table gives a breakdown of the reasons for these awards. These recipients were suffering financial hardship and may have been made homeless without the support from the DHP.

	Rent Arrears	Rent in Advance/Deposit	Benefit Cap	Bedroom Tax	Local Housing Allowance restrictions	Other (including health reasons)
2020/21 number of awards	8	44	6	30	18	16
2021/22 number of awards to date	22	40	4	23	16	18

- 3.5 Local authorities can top up their DHP allocation with their own funds. The Council is not intending to spend more than their DWP allocation and therefore additional revenue funds are not required as a result of this report.
- 3.6 Section 134 (8) of the Social Security Administration Act 1992 allowed councils to disregard up to 100% of war pensions above the £10.00 per week disregard. The cost of this disregard is borne by the council
- 3.7 Housing Benefit subsidy arrangements state that where a local provision to disregard a % of the income is in operation, the local authority will only be compensated with 75% of any expenditure incurred up to a maximum of 0.2% of the total subsidy claimed in the relevant year.

- 3.8 Since the Abolition of Council Tax Benefit in 2013 and the introduction of Local Council Tax Support schemes, councils have had the discretion on how much of the income is to be disregarded.
- 3.9 The following table details the financial implications of fully disregarding War Pension related income; these implications are already included within the revenue budget and the continuation of this policy will have no financial impact.

Year	Affected claims	Housing Benefit cost	Council Tax Support cost
2020/2021	15	£8,395	£9,805
2021/2022	8	£4,689	£7,093
2022/2023 (Projected)	5	£3,287	£4,740

## Equality and Diversity Implications

- 4.1 The purpose of Discretionary Housing Payments is to support residents who are facing housing problems and are vulnerable to becoming homeless. The 2022/23 DHP Policy is largely a continuation of previous policy, though with a decrease in overall funding coming from central government there will be less funding available to award to applicants.
- 4.2 Individuals who share certain protected characteristics are more likely to make a DHP claim and are therefore more likely to be affected by a reduction in available funding. However, eligibility criteria are applied in every case to ensure that the most vulnerable residents receive DHP funds, regardless of the group they belong to.
- 4.3 The DHP application process is online for Eastleigh residents, with offline application forms available on request from Eastleigh's Customer Service Centres. This does not pose any equality challenges, provided that the offline option is well signposted and remains easily accessible to those who do not have access to, or do not know how to use, the internet. If this were not the case, there would be a risk that this could exclude some residents from applying for funds, particularly older residents and those with a disability who experience higher rates of digital exclusion.
4. We are committed to the elimination of unfair and unlawful discrimination in all our policies, procedures and practices. We are determined to ensure that no member of the public, employee or job applicant receives less favourable treatment on the grounds of their age, childcare or other caring

responsibilities, disability, gender, HIV status, language, marital status, race, religion, sexual orientation, membership, or non-membership of a trade union, or by any requirement which cannot be shown to be justifiable.

## **Climate Change and Environmental Implications**

- 5.1 There is no impact to climate change or the environment for this report.

## **Conclusion**

- 6.1 This policy acknowledges the legal framework and the guidance and takes account of public law duties when setting out how decisions about DHPs will be made.
- 6.2 Use of our DHP budget is an important means by which the Council aims to assist and protect families threatened with homelessness. We are seeking to focus on increasing financial resilience and reducing demand for crisis support, aligned with our objective of preventing homelessness and reducing our reliance on temporary accommodation. With the resources at our disposal, Eastleigh will ensure that the DHP policy for 22/23 is administered in a fair and transparent way. We remain committed to sustaining tenancies, prevent homelessness and, where possible, ensure tenants secure more affordable accommodation.
- 6.3 It is recommended that Cabinet approves Eastleigh's Discretionary Housing Payments Policy (see Appendix A) as the means by which the Council will determine how the DHP funds will be allocated.
- 6.4 It is recommended that Cabinet agrees to continue to disregard 100% of War Pension related income when calculating claims for Housing Benefit and or Council Tax Support.

DECLAN KELLY SERVICE MANAGER FOR HOUSING BENEFIT AND COUNCIL  
TAX SUPPORT.

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Appendices Attached: 1. DHP Policy

## **LOCAL GOVERNMENT ACT 1972 - SECTION 100D**

The following is a list of documents which disclose facts or matters on which this report or an important part of it is based and have been relied upon to a material

extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information.

Discretionary Housing Payment policy