

SUBJECT:	DISCRETIONARY HOUSING PAYMENTS UPDATE
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	MARTIN WALMSLEY, ASSISTANT DIRECTOR SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 To provide Housing Scrutiny Sub-Committee with information in relation to the Discretionary Housing Payments Scheme.

2. Lincoln Tenants Panel Consultation

- 2.1 LTP was consulted regarding the draft report, - responses have been forwarded to the Resident Involvement Manager, and have been incorporated within this report.

3. Background

- 3.1 Discretionary Housing Payments (DHP) are available to local authorities to assist customers who need additional help with their housing costs. A Central Government grant is awarded each year, specified to individual local authorities based on historical spend/ anticipated need. However, local authorities can choose to pay above the level of Government grant up to another figure known as the 'Permitted Total' – but any expenditure above the Government grant is borne by the local authority.
- 3.2 DHP is completely separate from the statutory Housing Benefit (HB) scheme apart from the fact that HB must be in payment and the weekly DHP amount awarded must not exceed the maximum HB that could be awarded in each case – for example, not above the level of rent charged (less ineligible services which do not attract HB). Since Universal Credit (UC) has also been introduced in recent years, DHP can also be used to 'top up' the housing component of UC. DHP can, and is, also used for rent deposits and rent in advance, for appropriate cases.
- 3.3 A joint DHP Policy was agreed for the Shared Revenues and Benefits Service between City of Lincoln Council and North Kesteven District Council in early 2013, to ensure consistency of decision-making and robust criteria to take account of impacts of welfare reforms. Behind the approved policy were guidance/ procedural notes for decision-makers, which retained flexibility for the service to make changes to take account of changes in legislation, guidance and demands. This DHP Policy was further reviewed in 2015 and approved by Executive, to take into account 'conditionality' as part of the policy for appropriate cases – to try and reduce the long-term reliance on DHP for some customers.

'Conditionality' is similar to the 'claimant commitment' in place for certain benefits under Department for Work and Pensions (DWP). Essentially the DHP applicant has to be undertaking certain actions in order to receive (and continue receiving) DHP, trying to make efforts (where possible, and appropriate) to change their financial

situation – e.g. engage with a provider of personal budgeting support, seek a lower rental property, etc.

Introducing ‘conditionality’ has been very effective. Officers have seen a decrease in long-term reliance on DHP as it has helped encourage tenants to look at things like moving to more affordable accommodation and getting help with managing their budget. This has meant officers are able to provide DHP assistance to other customers to sustain their tenancies where there is not an option for them to move to more affordable accommodation.

The joint policy with North Kesteven District Council allows consistency between the two local authorities, especially as it has been identified that many customers move between the two authorities which means they are receiving consistent DHP decision making.

- 3.4 Behind the DHP Policy is a set of procedures and guidelines for decision-makers from the Revenues and Benefits Shared Service. These guidelines are reviewed each year in light of available Government grant as well as any changing priorities but do not fundamentally change the principles of the actual policy. It is important to note that although a DHP Policy should be in place and procedures behind this, the scheme by its very name is ‘discretionary’ and whilst each application is looked at in line with guidance – it is also considered on its own individual merits.

4. Discretionary Housing Payments – City of Lincoln Council

- 4.1 The table below shows City of Lincoln Council’s DHP grant allocations from Central Government, from 2012/13 through to the upcoming financial year 2025/26.

Financial Year	City of Lincoln Council Central Government DHP Grant
2025/26	£132,330
2024/25	£132,330
2023/24	£132,330
2022/23	£132,330
2021/22	£186,707
2020/21	£250,113
2019/20	£178,674
2018/19	£208,624
2017/18	£242,505
2016/17	£173,675
2015/16	£139,678
2014/15	£194,308
2013/14	£199,741
2012/13	£98,865

The table demonstrates a significant increase in DHP grant for the financial years from 2016/17 to 2021/22 (inclusive), - to try and assist with mitigating welfare reforms introduced. However, the grants have since been reduced and ‘static’ since April 2022. With Local Housing Allowance (LHA) rates being ‘frozen’ for most recent financial

years (other than 2024/25) and with rents rising – effectively there is ‘less’ available in DHP to allocate, in real terms.

5. DHP 2024/25 – Key Statistics

5.1 Up to the end of quarter 3 2024/25, DHP has been allocated as follows:

Total Government Contribution for 2024/2025	£132,330.00
Net Paid (to 31.12.24)	£74,052.00
Total Committed (to 31.3.25)	£24,724.00
Total Spend	£98,777.00

In terms of the number of applications received and awards made:

	Housing Benefit (HB) only	Universal Credit (UC) only	Total
Number of Applications	54	339	393
Number of Awards	21	141	162
Number of Refusals	33	198	231

The following table shows how many awards are ongoing awards and how many are ‘one-off’ DHP awards (e.g. for a rent deposit): The £22,824 spent on rent deposits/rent in advances has been paid to help customers move out of either supported accommodation, temporary accommodation or to help the customer secure more affordable accommodation.

	Number of Awards	Expenditure (£)
Number of and expenditure on ongoing awards for example, weekly or monthly awards.	127	£75,953.00
Number of and expenditure on one-off awards	35	£22,824.00

In terms of ongoing awards and tenure type:

	HB Customer	UC Customer	Total
Number of ongoing awards where the customer is a Council tenant	6	33	39
Number of ongoing awards where the customer is renting from a private tenant or a social registered landlord	0	88	88
			127

	0 - 6 months	6 - 12 months	12 - 18 months	18-24 months	24 - 30 months	30 months +
Number of Awards	27	57	20	8	6	9

This table shows the key reasons for DHP expenditure:

Expenditure by Reason for Award	Benefit Cap	Removal of the Spare Room Subsidy	Local Housing Allowance Reform	Other (Non-Welfare Reform)	
To help secure and move to alternative accommodation (for example, rent deposit)			£6,870.00	£15,954.00	
To help with short term rental costs while the claimant secures and moves to alternative accommodation		£4,386.00	£7,263.00		
To help with short term rental costs while the claimant seeks employment	£510.00	£324.00	£4,020.00		
To help with on-going rental costs for any other reason	£480.00	£10,526.00	£43,784.00	£4,660.00	
Total	£990.00	£15,236.00	£61,937.00	£20,614.00	£98,777.00

There has been a reduction in the number of DHP awards made to City of Lincoln Council Tenants since including Disability Living Allowance (DLA) /Personal Independence Payment (PIP) /Attendance Allowance (AA) as income within the income and expenditure calculation to assess DHP awards, which in turn has allowed officers to increase the amounts awarded to those in the private sector. This has helped to largely keep spend within the Government grant allocated.

6. Downsizing and DHPs

- 6.1 The following examples demonstrate the link between downsizing and the DHP scheme:

Example 1 – Customer living in a 3-bedroom property. Children left the property in May 2023 which resulted in the customer being affected by the 25% spare room subsidy ('bedroom tax'). The customer had been relying on a DHP award ever since. The customer was approved for the Downsizing scheme in April 2024, so it was

agreed that the full shortfall would be paid by DHP until the customer was moved, to prevent any further arrears. Customer moved to a 1-bed property in September 2024.

Example 2 – Customer and non-dependent living in a 3-bed property, - both extremely vulnerable. The customer had been relying on a DHP award since 2018 to help cover the 14% spare room subsidy ('bedroom tax'). Non-dependent moved out February 2024 to a warden controlled flat, - customer now affected by the 25% 'bedroom tax'. The customer was approved for the Downsizing scheme in March 2024, so it was agreed that the full shortfall would be paid by DHP until the customer was moved, to prevent any further arrears. Customer moved to a 1-bedroom property in June 2024.

***Future reports will refer to 'downsizing' as 'right sizing.'**

6.2 Some further points regarding how DHP is utilised at City of Lincoln Council:

- Reduced awards are made where the customer has previously received a DHP. A DHP is normally turned down where 'conditionality' has not been met. When the Downsizing Incentive Scheme was originally introduced on a trial basis, all City of Lincoln Council tenants receiving a DHP due to 'bedroom tax' were written to, advising them of the scheme, removing any DHP awards where the customer was not willing to use the scheme.
- DHP decision-makers are keen to encourage DHP applicants/recipients to sign-up to the Downsizing Incentive Scheme.
- If a customer is refusing to downsize, then consideration will be given on an individual case basis whether or not it is appropriate to support them through a DHP award.

***Future reports will refer to 'downsizing' as 'right sizing.'**

7. Strategic Priorities

7.1 Let's reduce all kinds of inequality

Effective usage of the DHP scheme can help customers meet their housing costs, normally on a limited/ short-term basis.

7.2 Future reports will refer to 'downsizing' as 'right sizing'

8. Organisational Impacts

8.1 Finance

A Central Government grant for DHP is awarded each year, specified to individual local authorities based on historical spend/ anticipated need. Local authorities can choose to pay above the level of Government grant up to another figure known as the 'Permitted Total' – but any expenditure above the Government grant is borne by the local authority.

8.2 Legal Implications

The Discretionary Financial Assistance Regulations 2001 (as amended) provide legislative and procedural rules and guidance relating to Discretionary Housing Payments.

8.3 Equality, Diversity and Human Rights:

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

An Equality Impact Assessment was undertaken and provided alongside the DHP Policy approved by Executive.

9. Risk Implications

- 9.1 A robust DHP Policy and associated procedures help to mitigate risks relating to administration of the scheme, which could relate to DHP grant being over/underutilised, or inequality within the approach to decision-making.

10. Recommendation

- 10.1 That Housing Scrutiny Sub-Committee reviews and comments on the content of this report and the information contained therein.

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? None

List of Background Papers: None

Lead Officer: Martin Walmsley, Assistant Director Shared Revenues and Benefits
Email address: martin.walmsley@lincoln.gov.uk