

To: Cabinet
Date: 10 November 2021
Report of: Housing and Homelessness Panel
Title of Report: Discretionary Housing Payment Policy

Summary and recommendations	
Purpose of report:	To present Housing and Homelessness Panel recommendations concerning the Cabinet Discretionary Housing Payment Policy report
Key decision:	Yes
Scrutiny Lead Member:	Councillor Linda Smith, Chair of the Housing and Homelessness Panel
Cabinet Member:	Councillor Shaista Aziz, Cabinet Member for Inclusive Communities
Corporate Priority:	Support Thriving Communities
Policy Framework:	Corporate Plan 2018-21; Financial Inclusion Strategy; Housing and Homelessness Strategy
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendation in the body of this report.	

Appendices
None

Introduction and overview

1. At its meeting on 04 November 2021, the Housing and Homelessness Panel considered the Cabinet report on Discretionary Housing Payment (DHP) policy.
2. The Panel would like to thank Councillor Shaista Aziz, Cabinet member for Inclusive Communities, for attending the meeting and presenting the report, and James Pickering, Welfare Reform Manager, for authoring the report and attending the Panel meeting to respond to questions.

Summary and recommendation

3. Councillor Shaista Aziz, Cabinet Member for Inclusive Communities presented the report to the Panel. Key issues that the report dealt with were historical demand for DHP, and the anticipated increase in demand for DHP payments at a time of financial challenge for the Council. In the previous year the Council had exceeded the grant support from government by 22%, or £101k. Spending beyond the government's grant was also expected in the immediate future, particularly as central government had reduced the level of its grant support. A series of mitigations had been put in place to minimise the impact on the Council's general budget. The pandemic had hit DHP recipients particularly hard, with many having few alternative options other than this funding. Families subject to the benefit cap were particularly reliant on this support, particularly lone parents with more than two children whose ability to work sufficient hours to qualify for alternative benefits was seriously impeded by their childcare situation. Changes to Universal Credit announced in the government's Budget would help those able to work, but would be of very little benefit to those not working or working few hours.
4. A vital part of the Council's approach to the DHP process was the allocation of case workers to DHP recipients to work with them to find solutions to their specific challenges. This approach had repeatedly shown good outcomes for individuals; for example, even with the pandemic 31 recipients had made their way into work in the previous financial year. James Pickering, Welfare Reform Manager, underlined the importance of this in light of the fluctuating income from government. Finding long-term solutions was the only viable path to take.
5. The Panel's areas of interest for discussion covered the rate of grant overspend and proposed mitigations, the length of time recipients typically receive payments for and the 'trap' effect of the benefit cap, eligibility criteria for DHP and alternative sources of financial support.
6. The Panel makes one recommendation about formalising anticipated expenditure on DHP payments within the budget.

DHP Overspend

7. There existed complete unanimity between Panel members, Cabinet Member and the report author on the likelihood that the Council will exceed its DHP grant in the forthcoming year. The spending levels in previous years, accompanied by the cut in grant support by central government of almost a quarter and the cost of living crisis which is unfolding at the present make an overspend near-inevitable. Although the Panel understands that spending beyond the government grant is the sole responsibility of the Council to fund, even with the financial challenges the Council faces the Panel sees maintaining this spending as being a high priority. Maintaining families in their current accommodation is deeply valuable in and of itself, let alone once the business case of monies saved by not having to house those families in far more expensive temporary accommodation is considered. As such, the Panel is keen to see that all who qualify for DHP payments should be able to do so, and no upper limit (bar the

statutory limit) is placed on this spending. To this end, the Panel welcomes and fully endorses the steps taken and proposed to mitigate the financial effects of a likely spend beyond government grant levels.

8. Within this overall support the Panel raises a query more than a criticism. It was unclear to members whether the portion of DHP spend coming from the HRA (ie spending on DHP for Council tenants above the government grant) was specifically budgeted for, given that spending might be anticipated to be not inconsequential, £50k or so. It is the view of the Panel that providing a dedicated line in the budget is important in providing transparency, particularly to Council tenants, whose rental payments underpin the HRA. Thus, if the Council does not have a dedicated line in the budget to show its expected expenditure in this area, the Panel recommends that it does so.

Recommendation 1: That the Council includes a line within the HRA section of its proposed 2022/23 budget for DHP expenditure beyond the government grant.

Further Consideration

9. The Housing and Homelessness Panel is unlikely to consider this item directly again during the civic year.

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Cabinet response to recommendations of the Housing and Homelessness Panel made on 04/11/2021 concerning the Cabinet report on Discretionary Housing Payment Policy

Provided by the Cabinet Member for Inclusive Communities, Councillor Shaista Aziz

<i>Recommendation</i>	<i>Agree?</i>	<i>Comment</i>
1) That the Council includes a line within the HRA section of its proposed 2022/23 budget for DHP expenditure beyond the government grant.	Yes	There is a relevant budget line within the proposed HRA budget.