

FLINTSHIRE COUNTY COUNCIL

REPORT TO: CORPORATE RESOURCES OVERVIEW & SCRUTINY
COMMITTEE
DATE: THURSDAY, 14 FEBRUARY 2013
REPORT BY: HEAD OF FINANCE
SUBJECT: DISCRETIONARY HOUSING PAYMENT (DHP)
POLICY 2013/14

1.00 PURPOSE OF REPORT

1.01 The report seeks the consideration and discussion of Flintshire County Council's revised Discretionary Housing Payment (DHP) Policy for 2013/2014 and the comments of the Committee to be reported to Cabinet in March 2013.

2.00 BACKGROUND

2.01 The Department for Work and Pensions (DWP) provides extra funding to local authorities to provide all claimants with further financial assistance with their Housing Costs.

2.02 Central Government's Welfare Reform Programme is changing how Benefits are claimed. The changes are designed to make the transition from Benefits into work much easier and also to give people greater control of their finances. However these changes potentially will have increased impact on households and individuals.

2.03 DHP can be used to give people extra help and support with their Housing costs. The DWP annual funding for DHP was £20m up to April 2011. To help local authorities manage the impact of the reforms DHP funding increased to £30m in 2011/12 and to £60m for 2012/13 and for the remainder of the Spending Review period.

3.00 CONSIDERATIONS

3.01 2013/14 will be challenging to many households and individuals as the changes to Welfare Benefits are implemented, changes include:

- Abolition of Second Adult Rebate within the new Council Tax Reduction Scheme
- A restriction for people of working age "under occupying" their homes
- A "Benefit Cap" being introduced which limits the total amount of "welfare benefits" that a working age person can receive to £350 per week for a single person and £500 per family

- Personal Independence Payments will replace Disability Living Allowance for working age people starting from June 2013
- Introduction of Universal Credit
- Changes to Community Care Grants and Crisis Loans introduction of a Local Assistance Scheme
- Changes to Non-Dependent Deductions
- Changes to Local Housing Allowance

3.02 Examples where a DHP may help:

- Where a rent restriction has been applied
- Reductions in Housing Benefit entitlement following changes to Local Housing Allowance
- Non dependant deductions
- Income tapers

3.03 This list is not exhaustive but it does **not** include:

- Ineligible service charges
- Increases in rent due to outstanding rent arrears
- Certain sanctions and reductions in benefits

DHPs are available to meet housing costs across all tenure types, i.e. Social Housing and Private Rented sector.

3.04 Where it is needed this funding is designed to help in the short term. This is a cash limited budget and each application for DHP is assessed on need and a decision will be made on a case by case basis.

3.05 In deciding upon an award FCC will consider the shortfall between a persons Housing Benefit, or Universal Credit and their rent and;

- Steps taken by a person to reduce their rent liability
- Steps taken by the person to find cheaper alternative accommodation
- Reasons why a person cannot move to cheaper alternative accommodation
- Steps taken by a person to increase their income
- The financial circumstances of the person and their family
- Any exceptional circumstances
- Funding available to Flintshire County Council
- The consequences of not awarding a DHP

3.06 As stated in 2.03 there has been an increased allocation of £60m DHP funding from the DWP available to local authorities. Councils generally will find that the pressure on this fund will intensify and that funding by DHP will not be able to provide adequate long term support for customers. The purpose of DHP is to provide short term assistance and not supporting customers with long term solutions.

- 3.07 DHP is a payment of last resort or in an emergency; It is hoped that with proactive intervention and help, that other alternatives will be found to help customers in difficulty. This will be undertaken by the Welfare Reform Operational Team and other officers in Housing Benefit, Housing and Welfare Rights.
- 3.08 Each year the DWP allocate funding to Local Authorities, but allow the authority to pay above this amount. The authority is allowed to award up to 2.5 times the government allocation of DHP.
- 3.09 For the financial year 2013/14 Flintshire County Council has been allocated £242,119
- 3.10 It should be noted that DHP cannot directly be used for help with Council Tax liability as the Council Tax Reduction Scheme is not classed as a Welfare Benefit and is therefore outside the scope of the scheme although liability to pay Council Tax will be taken into consideration when looking at DHP eligibility for Housing Cost. If a Council Tax payer cannot meet their Council Tax liability then Flintshire County Council will consider individual circumstances under it Corporate Debt and Fair Debt Policy.

4.00 RECOMMENDATIONS

- 4.01 That this report and the draft policy be discussed and considered at Corporate Resources Overview and Scrutiny Committee and the comments of the Committee to be reported to Cabinet in March 2013.

5.00 FINANCIAL IMPLICATIONS

- 5.01 Central Governments allocation for Flintshire County Council in 2013/2014 is £242,119. This means that the overall expenditure limit for DHP is £605,298. The 2013/14 budget contains a provision for Flintshire County Council to contribute £167,526 which would provide a total of £409,645.

6.00 ANTI POVERTY IMPACT

- 6.02 Wales has been argued to be the most deprived country in the UK. It has also been highlighted that the deprivation present in Wales is comparable to only parts of England, in which a similar “post – industrial setting is found”. It may be regarded that Wales faces more significant impacts as a result of changes to the systems of welfare which begin in earnest next year.
- 6.03 The Welfare Reform Programme has recognised the need for proactive work and support to try and mitigate as much as possible the effects on vulnerable residents in Flintshire. Residents may be affected by changes to welfare benefits which are happening at the same time.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 Currently resourced.

10.00 CONSULTATION REQUIRED

10.01 The policy will be circulated to members of the Flintshire Advice Management Board for consideration.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

Appendix 1 - Draft Discretionary Housing Payments Policy 2013/2014

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Discretionary Financial Assistance Regulations 2001 (SI2001 No 1167)

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