

## **FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:** HOUSING OVERVIEW & SCRUTINY COMMITTEE

**DATE:** THURSDAY, 21 MARCH 2013

**REPORT BY:** DIRECTOR OF COMMUNITY SERVICES  
HEAD OF FINANCE

**SUBJECT:** DISCRETIONARY HOUSING PAYMENTS 2013 / 2014

### **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. The views of the Committee will be reported to Cabinet in April. The report was submitted to Corporate Resources Overview and Scrutiny in February.

### **2.00 BACKGROUND**

2.01 The Department of 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 over their finances. However these changes potentially will have a negative financial 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 2011/2012 and to £60m for 2012/13 and for the remainder of the Spending Review.

### **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 and £500 per week 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 dependent deductions
- Income Tapers

3.03 The 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 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
- Any proactive intervention and help given with regard to debt advice and budgeting.
- 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 potential 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 to support 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 work will be undertaken by the Welfare Reform Operational team and other officers in Housing Benefits, 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 has been allocated £242,119 by the Department of Works and Pensions. Flintshire County Council is able to spend a total of £605 297; the difference being able to be funded by the local authority. In 2013/2014 £167 526 was originally allocated to the DHP fund. At the 1<sup>st</sup> March Budget meeting it was announced that another £135 000 would be available for 2013/2014. The overall budget to support households for 2013 / 2014 in Flintshire is £544 645.
- 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 therefore outside the scope of the scheme although liability to pay Council Tax will be taken into consideration when looking at DHP eligibility for help with housing cost. If a Council Tax payer cannot meet their Council Tax liability then Flintshire County Council will consider individual circumstances under the Corporate Debt and Faire Debt Policy.

#### **4.00 RECOMMENDATIONS**

- 4.01 The policy and report was submitted to Corporate Resources Overview and Scrutiny on the 14<sup>th</sup> February 2013. Members raised concerns about the lack of cheaper alternative accommodation and that there were significant challenges for the Council. The report was noted .
- 4.02 That this report and the draft policy be discussed at Corporate Resources Overview and Scrutiny and Housing Overview and Scrutiny and the comments of the committees be reported to Cabinet in April 2013.

#### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 Central Governments allocation to Flintshire County Council in 2013/2014 is £242 119. This means that the overall expenditure limit for DHP is £605 298. The 2013/2014 budget now contains a provision for Flintshire County Council to contribute £302 526; £167 526 was allocated to the budget and an additional £135 000 which will now provide a total available for DHP to be £544 645.

## **6.00 ANTI POVERTY IMPACT**

6.01 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 in 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 reform which begin in earnest next year.

6.02 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 changed 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 None

## **11.00 CONSULTATION UNDERTAKEN**

11.01 The policy will be circulated to members of the Flintshire Advice Management board

## **12.00 APPENDICES**

12.01 Appendix 1 – Draft Discretionary Housing Payments Policy 2013/2014

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

Discretionary Financial Assistance Regulations 2001 ( SI 2001  
N1167)

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