

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**
DATE: **11TH JULY 2013**
REPORT BY: **HEAD OF FINANCE**
SUBJECT: **DISCRETIONARY HOUSING PAYMENTS UPDATE**

1.00 PURPOSE OF REPORT

1.01 To provide an update in relation to Discretionary Housing Payments (DHP) following the consultation and adoption of the DHP Policy for 2013/2014.

2.00 BACKGROUND

2.01 DHPs are discretionary sums payable by the Council to a person who receives Housing Benefit or Universal Credit where they still appear to require additional financial assistance with their housing costs.

2.02 The Department for Work and Pensions (DWP) provides funding to Local Authorities in order to provide DHPs.

2.03 This year the DWP have significantly increased their contributions to Local Authorities compared to funding in previous years, this is due to the expected effects of Central Government's Welfare Reform Programme. The Council added a further £135,000 to it's existing budget provision for 2013/14 bringing resources available up to £544,645 (Flintshire £302,526 and DWP £242,119).

2.04 It is expected that this year will create significant financial challenges to many households and individuals as the changes to Welfare Benefits are starting to be implemented.

2.05 A policy has been developed to detail the administration and processes that are to be followed when implementing the scheme and awarding financial assistance.

2.06 The DHP Policy was formally approved and adopted by Cabinet on 23rd April 2013, having previously been considered by Corporate Resources Overview and Scrutiny Committee and Housing Scrutiny Committee. In adopting the policy, it was agreed that there would be quarterly reporting to Scrutiny and Cabinet.

2.07 The objectives of the DHP scheme are:

- To encourage and help keep people in employment.
- To prevent homelessness and aid people to retain sustainable tenancies.
- To help people who are trying to help themselves.
- To help keep families together.
- To support vulnerable people in the community.
- To help people through times in which they are stressed and vulnerable.
- To help alleviate poverty.
- To assist people that are particularly disadvantaged by Welfare Reforms.

2.08 The DHP scheme payments are designed to be a last resort, short term or lump sum payment to assist people to meet their housing costs to help them to achieve a sustainable situation for the future. It is not a long term replacement for reductions in Housing Benefit or other Welfare Benefits.

3.00 CONSIDERATIONS

3.01 Analysis shows that applications for DHP have increased by 42% when compared to the same period last year.

3.02 In the first quarter of this year we have processed 186 applications for DHP. Analysis of these cases shows the following:

- 44% of 186 applications (81 cases) were successful and have been awarded a DHP.
- 45% of the total applications (85 cases) were from Council Tenants.
- 28% of the total applications (51 cases) were from tenants of Housing Association properties.
- 27% of the total applications (50 cases) were from Private Tenants

- 3.03 The applications dealt with to date show that almost 90% are due to welfare reform changes, the majority of these being a result of the Maximum Rent Social Sector (sometimes referred to as the “Bedroom Tax”) which reduces Housing Benefit at a percentage if the tenant has spare rooms in their property.
- 3.04 The significant number of applications which have been unsuccessful was to be expected at this early stage, and it could be due to the recent media coverage encouraging everybody who is affected to apply.
- 3.05 However, when applications are dealt with, it would appear that nearly half of them are not in need of support through DHP as they are able to meet their housing costs, albeit that they have not had to incur this expenditure previously.
- 3.06 The policy contains details of how claim outcomes can be challenged if customers are not satisfied with the outcome. This is by way of a Review. The policy sets out the procedure for review being that at first stage the case is passed to a Team Leader to review, then if the customer is still not satisfied, this is then passed to the Benefits Manager for a final decision.
- 3.07 So far, two decisions by the staff assessing applications have been subject to a first stage review by Team Leaders. In both cases, more information was provided at the review and the claims were both paid as a result of this and the original decisions were overturned.
- 3.08 The Housing Benefit Service are working closely with colleagues in Housing and wider across the Council and from partner organisations to identify people who DHP can help as a way of a short term solution in order to reach a sustainable outcome with help and support.
- 3.09 As detailed above, applications have increased, but just under half of those were unsuccessful, this has meant that expenditure of the first quarter of the year is around £46,000 which equates to 8.5% of the overall provision of £544,645.
- 3.10 Many of the changes will take effect over time, for example the Maximum Rent Social Sector restrictions reduce Housing Benefit by an amount each week if a person has a spare room. This will mean that people may try initially to make up the shortfalls by juggling finances, or making lifestyle changes, however, for some this may not be sustainable in the longer term. Others may not be coming forward to make claims at this stage as they are not yet under pressure from landlords due to rent arrears.

4.00 RECOMMENDATIONS

4.01 Members are recommended to note the report.

5.00 FINANCIAL IMPLICATIONS

5.01 There is a total budget available for 2013/14 of £544,645.

5.02 The number of unsuccessful applications has had an effect on the expenditure incurred at this stage. Current expenditure is around £46,000 which equates to 8.5% of the total amount provided for in this year.

5.03 It is expected that this will start to increase steadily over the next couple of months with a more significant increase as we move towards Quarter 3 and Quarter 4 as the impacts of Welfare Reform start to take hold.

6.00 ANTI POVERTY IMPACT

6.01 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.

6.02 Whilst the numbers of claims for DHP will increase as a result of Welfare Reform, it is important to note that DHP is also available to those who are experiencing financial difficulty in meeting their housing costs who are not directly affected by these changes, but are subject to other significant difficulties in their personal situation.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 Currently resourced, although the increase in workloads is under constant review to ensure sufficient resources are maintained to meet the demand for the service.

10.00 CONSULTATION REQUIRED

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 None.

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

Contact Officer: Jen Griffiths, Benefits Manager
Telephone: 01352 702929
Email: jen.griffiths@flintshire.gov.uk