

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CABINET**

**DATE:**                 **TUESDAY, 23 APRIL 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 approval and adoption of Flintshire County Council's revised Discretionary Housing Payment (DHP) Policy for 2013/14.

**2.00   BACKGROUND**

2.01   The Department of Work and Pensions (DWP) provides extra funding to local authorities to provide persons in receipt of Housing Benefit 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 authorities manage the impact of the reforms DHP funding increased to £30m in 2011/12 and to £60m for 2012/13 across England and Wales and for the remainder of the Spending Review.

2.04   The draft policy and an accompanying report was submitted to Corporate Resources Overview & Scrutiny in February 2013 and Housing Overview & Scrutiny Committee in March 2013 for consideration. Feedback from these meetings is included within the report.

### **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 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 personal circumstances and a decision will be made on a case by case basis.

- 3.05 In deciding upon an award Flintshire County Council 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 DHP.
- 3.06 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 officers in Housing Benefits, Housing and Welfare Rights and the Welfare Reform Operational Team
- 3.07 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 is not designed to provide a long term solution to support customers.***
- 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 by the Department of Work 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 2013/14, £167,526 was originally allocated to the DHP fund. At the 1<sup>st</sup> March 2013 Budget Meeting it was announced that another £135,000 would be available for 2013/14. The overall budget to support households for 2013/14 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 as expenditure 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 Fair Debt Policy.
- 3.11 The policy and report was submitted to Corporate Resources Overview and Scrutiny Committee on 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.
- 3.12 The policy and report was submitted to Housing Scrutiny Committee on 21<sup>st</sup> March 2013. Members raised general concerns about how people in Flintshire will manage financially due to all the changes. The report was noted but a comment was made about the review process and whether this should have member input. It is recommended that this can be achieved by introducing a quarterly report in to Corporate Resources Overview and Scrutiny Committee and Cabinet which would cover:-
- The types of issues encountered by applicants to DHP
  - Overview of how we have helped people to a sustainable financial position within the scope of the adopted policy
  - Review of outcomes of DHP claims and the review process
  - Current financial position of spend against budget

#### **4.00 RECOMMENDATIONS**

- 4.01 Members are recommended to:-
- (a) Note the report.
  - (b) Adopt the DHP Policy for 2013/14.
  - (c) Support quarterly reporting to CROSC and Cabinet as set out in 3.12.

#### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 Central Government's allocation to Flintshire County Council in 2013/14 is £242,119. This means that the overall expenditure limit for DHP is £605,298. The 2013/14 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 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 changes to Welfare Benefits which are happening at the same time.
- 6.03 Whilst the Welfare Reform Programme impact will significantly affect the numbers of claims for DHP, it is important to note that DHP is also payable to those who are experiencing financial difficulty in meeting their housing costs who are not directly affected by these changes, but subject to other significant changes 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.

## **10.00 CONSULTATION REQUIRED**

- 10.01 None.

## **11.00 CONSULTATION UNDERTAKEN**

- 11.01 Consultation undertaken:  
Corporate Resources Overview & Scrutiny Committee  
Housing Overview Scrutiny Committee  
Flintshire Advice Management Board

## **12.00 APPENDICES**

- 12.01 Appendix 1 – Draft Discretionary Housing Payments Policy 2013/14.

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

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