

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 21 APRIL 2015**

REPORT BY: **CHIEF OFFICER (COMMUNITY AND ENTERPRISE)**

SUBJECT: **DISCRETIONARY HOUSING PAYMENT POLICY**

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 2015

2.00 BACKGROUND

2.01 The Department for Work and Pensions (DWP) provides extra funding to Local Authorities (LA) to provide claimants in receipt of Housing Benefit (HB) or Universal Credit (UC) further financial assistance with their housing costs in cases where there is a shortfall between the HB entitlement and the rent payable.

2.02 There is provision within the regulations whereby the funding for DHP can be "topped up" by the LA by 2.5 times the DWP funding.

2.03 Central Government's Welfare Reform programme, designed to make transition from Benefits into work easier, in some cases had a negative financial impact on households and individuals, and the Government has identified DHP as temporary support to enable claimants during transition.

2.04 The administration and payment of DHP is at the discretion of each LA, and therefore there can be wide variances in qualification for DHP between LA's. The current DHP policy in Flintshire was approved by Cabinet in April 2013

2.05 Due to the high profile that DHP has received and criticism from Welsh Government regarding a perceived inconsistency in the awards process, a collaborative approach to produce a framework was commenced with the appointment of the Welfare Reform Club to produce an all Wales DHP policy framework in conjunction with colleagues from 20 Authorities in Wales who joined the project. The completed framework is unique to Wales and as such the Welfare Reform Club have copyrighted the framework which cannot be reproduced without their consent

2.06 The developed framework is consistent with many elements of the Flintshire policy that was approved in 2013, but has provided a more detailed structure for deciding who should be awarded a DHP, to achieve fairness and consistency within the Council and also across the 20 Local Authorities in Wales who formed part of the project group.

3.00 CONSIDERATIONS

3.01 DHPs are available to assist with meeting housing costs across all tenure types, i.e. Social Housing and Private Rented Sector

3.02 Where it is needed this funding is designed to help in the short term. It is subject to cash limited funding and each application for DHP is assessed on financial need and personal circumstances with each decision being made on a case by case basis.

3.03 Examples of where a DHP may help:

- Where a restriction in rent has been applied
- Where a spare room restriction has been applied
- Where there is a deduction from benefit based on a non-dependant in the household
- Where benefit does not meet the rent payable due to the level of a person's income
- Assistance with removal costs

3.04 DHPs cannot be used for:

- Ineligible service charges
- Increases in rent due to outstanding rent arrears
- Certain sanctions and reductions in benefits including recovering ongoing housing benefit overpayments
- Council Tax

3.05 In addition to contributing to the Wales framework, the Council has undertaken detailed analysis of the DHP caseload in order to identify the need for future budget commitments more easily and also to work proactively with customers to identify issues and problems. By providing advice and support, the aim is to ultimately remove the reliance on DHP payment by assisting people to become more able to manage their own affairs more effectively in the longer term.

3.06 The new policy enables us to apply a level of "conditionality" to the DHP awards. This means that a DHP is awarded and will continue for the agreed period if the customer demonstrates that they are committed to working together with the Council and to helping themselves.

- 3.07 This may involve a range of support options including:
- Working with a debt advisor
 - Actively seeking ways to move to more affordable accommodation
 - Reviewing utility costs to identify better value options
 - Reducing or eliminating non-essential expenditure, i.e mobile phone contracts; satellite TV etc
 - Increasing contribution from other household members
 - Claiming other benefits they may be entitled to, i.e. free school meals

3.08 The type of support or advice will depend on the specific needs of the customer and will be tailored to meet that need. It will be the customer’s responsibility to demonstrate that they are making every effort to make changes or access/accept support or advice; in order to become more financially stable for the future.

4.00 RECOMMENDATIONS

4.01 Cabinet adopts the DHP Policy from April 2015

5.00 FINANCIAL IMPLICATIONS

5.01 The DWP funding for DHPs in Flintshire has been increasing over the last three years, however, for 2015/2016 this funding has now reduced. The Council has also been providing a budgeted “top up”.

Financial Year	DHP Government Contribution	Flintshire “Top Up”	Total Spend
2012/2013*	£114,426	£0	£109,071
2013/2014	£242,119	£30,776	£272,895
2014/2015	£276,166	£36,834	£313,000
2015/2016	£208,883	£0	£208,883

*Pre Welfare Reform

6.00 ANTI POVERTY IMPACT

6.01 There is a need for proactive work and support due to the impacts of Welfare Reform on residents in order to mitigate them particularly for vulnerable people.

6.02 Whilst the effects of Welfare Reform have impacted a significant number of people and increased the need for DHP, it is important to note that DHP is also payable to people who require further financial assistance that have not been impacted by these changes.

6.03 The reduction in DHP funding from DWP in 2015/2016 will inevitably have an impact on the level and duration of DHP awards, however, it is intended that by working with customers in line with the new Policy these impacts can be managed and mitigated with longer term sustainable solutions.

7.00 ENVIRONMENTAL IMPACT

None

8.00 EQUALITIES IMPACT

None

9.00 PERSONNEL IMPLICATIONS

9.01 The increase in the administration of DHP payments due to welfare reform has increased demands on the Benefits department which to date have been absorbed within the current structure.

9.02 The support of customers for benefits / budgetary advice has been provided by the Welfare Reform Response Team, which is now an integral part of the Benefits Department. The availability of funding for this team is currently under review.

10.00 CONSULTATION REQUIRED

None

11.00 CONSULTATION UNDERTAKEN

11.01 The draft Policy and was submitted to Corporate Resources Overview and Scrutiny Committee on 16th April for their consideration.

12.00 APPENDICES

12.01 Appendix 1 – Draft Discretionary Housing Payment Policy 2015

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

Discretionary Financial Assistance Regulations (2001)

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