



**POLICY AND RESOURCES SCRUTINY COMMITTEE –
13TH NOVEMBER 2012**

SUBJECT: DISCRETIONARY HOUSING PAYMENTS 2011/12

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To inform Members of the number of Discretionary Housing payments paid to claimants in 2011/2012.
- 1.2 To inform Members of the allocation received from Central Government, the amounts paid and the criteria used to award these payments.

2. SUMMARY

- 2.1 Discretionary Housing payments are additional payments made towards rent, council tax, or both. They are only paid to customers already receiving housing and/or council tax benefit who need more help with their housing costs over and above their benefit award.
- 2.2 Caerphilly County Borough Council, like every other Council, is given a fixed amount each year by the Government to pay Discretionary Housing payments. The allocation that Caerphilly received for 2011/2012 was £34.666.

3. LINKS TO STRATEGY

- 3.1 The payment of Housing and Council Tax benefits is a key element of the Council's anti-poverty and regeneration strategies.

4. THE REPORT

- 4.1 Since 2 July 2001, Discretionary Housing Payments (DHP's) have allowed Authorities to help those entitled to Housing Benefit (HB) or Council Tax Benefit (CTB) who, in their opinion, require further financial assistance with housing costs.
- 4.2 In previous years, the DHP allocation has totalled £20m nationally. The Government announced in the June 2010 budget that it was to increase its contributions to LAs' funding for DHP by £10m to £30m in 2011/12.
- 4.3 The purpose of the additional funding was to provide LAs with more flexibility to help a greater number of new and existing customers who face a shortfall in rent because of changes to HB which come into effect from April 2011.

- 4.4 The allocation for DHP's (£34,666 for 2011/2012) is very small and therefore limited in comparison to the amount of subsidy grant received by Caerphilly from Central Government which totalled over £70m in 2011/2012. The subsidy grant is used to pay towards the Housing and Council Tax payments. The Authority has approximately 20,500 claimants.
- 4.5 Decisions on assessments are made with reference to the relevant Departments for Work and Pensions regulations. These are the *Discretionary Financial Assistance Regulations 2001 [SI 2001/1167]*. There is no set criterion but each claim has to go through a financial income and expenditure assessment. It is the Authority's responsibility to use its allocation for DHP's fairly and innovatively. Ensuring that the most vulnerable receive the financial assistance they need.
- 4.6 The first stage of the assessment is to ensure that the customer is receiving the maximum amount of benefit they are entitled to. The next stage is to evidence financial hardship. Information gathered regarding income and expenditure is assessed to establish if there is a shortfall in the amount of rent and council tax to be paid. There must be evidence that due to financial hardship the claimant has difficulties in paying the shortfall in the rent.
- 4.7 DHP's are a short-term aid towards sustainable solutions. Therefore it is fundamental before awarding a DHP that a sustainable solution is identified. As this type of financial help cannot be allowed indefinitely it is imperative that advice and support is offered to the claimant to ensure that they have the ability to afford their rent and council tax in future. If there is no evidence that their financial situation will improve in the future it may mean that the only choice is to move to cheaper accommodation.
- 4.8 During 2011/2012 Caerphilly received 233 claims for DHP's of these 137 were successful i.e. 59%. This consisted of 117 Private tenant claimants and 16 Council Tenant claimants who were awarded assistance towards their rent. The remaining 4 who had proven financial hardship had help towards their council tax.
- 4.9 96 claimants applied but were unsuccessful as they failed the financial assessment and were able to meet the shortfall in their rent. Therefore it was established that they did not need the assistance of a DHP.

Successful Claims 2011/12							
Private Tenant		Council Tenant		Council Tax		Total	
117	£24,531.20	16	£3,741.70	4	£438.48	137	£28,711.38
Unsuccessful Claims 2011/12							
Private Tenant		Council Tenant		Council Tax		Total	
69		25		2		96	

Successful Claims

The average weekly DHP amount paid in 2011/2012 was approximately £16.00 per week. But these payments ranged from as little as £5.00 per week to £63.00.

Many claims were made due to the changes in legislation which resulted in a reduction in HB and thus causing the tenant financial hardship.

All claimants had proven financial hardship and a sustainable solution was identified. This resulted, in most instances, the award of a DHP covering the shortfall between the HB and the rent.

Unsuccessful Claims

Where the financial assessment was made and this proved that the claimant's income exceeded their outgoings the DHP was deemed as unsuccessful. This was the predominant reason for unsuccessful claims as this established that the claimant could afford to meet the shortfall.

Maximising Benefit Entitlement

Further interrogation into some claims identified instances where extra HB could be awarded as certain criteria had been met but overlooked in the initial assessment. Reassessment of the claim was made and benefit entitlement maximised therefore helping to alleviate financial hardship.

Moving forward to 2012/13

Caerphilly's DHP allocation from The Department for Work and Pensions for 2012/13 is £66,516 added to this was a carry over amount of £5,955 from 2011/2012 giving a total of £72,461.

The Government's contribution for DHP's has increased over the past two years to take into consideration the potential financial hardship that claimants may face due the reduction in their HB entitlement. Unfortunately the increase will by no means help everyone affected by the changes. Therefore it is the responsibility of the Local Authority to use the allocation wisely to help those most in need.

5. EQUALITIES IMPLICATIONS

- 5.1 This report is for information purposes only, so the Council's full Equalities Impact Assessment process does not need to be applied.
- 5.2 Reduction in HB and wider financial hardships can affect certain groups in the community to a much greater degree, such as older people or people with disabilities, however, the Local Authority already considers such issues when providing advice and guidance and works with the CAB to provide Financial Capability sessions (open to all) and Maximising Income sessions, specifically aimed at the 50+ age range normally, though some sessions in 2010/11 were targeted at younger people.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications to the Authority providing there is no overspend of the amount allocated by DWP.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no personnel implications arising from this report.

8. CONSULTATIONS

- 8.1 There are no consultation responses that have been included in this report

9. RECOMMENDATIONS

- 9.1 The Authority continues to allocate this small amount of funding in accordance with the guidelines.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that the allocation received from The Department of Work and Pensions for the

DHP's is used fairly to help the most vulnerable who require financial assistance in the future.

11. STATUTORY POWER

11.1 Decisions on assessments are made with reference to the relevant Departments for Work and Pensions regulations. These are the *Discretionary Financial Assistance Regulations 2001 [SI 2001/1167]*.

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