



**POLICY AND RESOURCES SCRUTINY COMMITTEE –
16TH APRIL 2013**

SUBJECT: DISCRETIONARY HOUSING PAYMENTS 2013/14

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & SECTION 151

1. PURPOSE OF REPORT

- 1.1 To inform Members about Discretionary Housing Payments.
- 1.2 To inform Members of the Discretionary Housing Payment allocation received from Central Government for 2013/14 and the proposed criteria that will be used to award these payments.

2. SUMMARY

- 2.1 Discretionary Housing payments (DHPs) are, at present, 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 To help Local Authorities (LAs) manage the impact of the Housing Benefit (HB) reforms announced in the June 2010 budget, Ministers agreed to increase DHP funding to £30 million in 2011/12 and to £60 million annually for 2012/13. The total funding available for 2013/14 is £155m.
- 2.3 Caerphilly County Borough Council, like every other Council, is given a fixed amount each year by the Government to pay DHPs. The allocation that Caerphilly will receive for 2013/14 is £292,597. This has increased considerably in comparison to the allocation for 2012/13 which was £66,516.

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, DHPs 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 From April 2013 DHPs will only be available to those entitled to HB, for help towards rent, as CTB will end 31.03.13 and will be replaced by the Council tax Reduction scheme, which is not a Department for Work and Pensions (DWP) related benefit. Therefore DHPs cannot be used

for help towards paying Council Tax.

- 4.3 LAs have a responsibility to ensure that this fund is utilised effectively so that it is paid to those who have the most need. Decisions on assessments are made with reference to the relevant DWP 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. LAs have a duty to act fairly, reasonably and consistently when considering entitlement to a DHP. Ensuring that the most vulnerable receive the financial assistance they need.
- 4.4 The current criteria for dealing with DHPs has proved to be successful in that the allocation for 2012/13 has been used effectively and has been kept to budget. It is therefore the intention to keep to this criterion and involve partners e.g. social sector landlords and supporting bodies to help in the process. The criteria will be flexible as discretion is the key. But it is important that guidelines are in place so that all claimants are treated fairly.
- 4.5 The increase in DHP funding is intended to reduce the impact of the cuts in benefits expenditure and the changes brought in by the Housing Benefit Reforms reform e.g. Under Occupation for Social Sector Tenants, The Benefit Cap and Local Housing Allowance (LHA) amounts calculated at the rate of CPI. For example there are approximately 3000 Social Sector Tenants that will be affected by the under occupation and their HB will be cut by approximately £10 or £20 per week. It is evident that the DHP funding will not be enough to help everyone affected. Therefore it is imperative that the Authority uses this funding effectively to help those who need it most.
- 4.6 Before an assessment of DHP is made a review of the HB entitlement will be undertaken to ensure that the customer is receiving the maximum amount of benefit they are entitled to.
- 4.7 The DHP assessment will then be to evidence if there is financial hardship. Information gathered regarding income and expenditure will be 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.
- 4.8 It is important to remember that DHPs are a short-term aid towards long-term sustainable solutions. This type of payment cannot be made indefinitely. It is fundamental when a DHP is awarded that a sustainable solution is sort. Therefore it is imperative that claimants work with their landlords and the support available so that financial advice can be given or affordable accommodation sort.
- 4.9 Most claims will be paid for a period of 13 weeks at which point a review will be under taken. The period of award can be extended for a further 13 weeks if support is in place and a sustainable solution is being sort. Each claim will be taken on its merit and decisions to extend payments beyond this period will be considered.
- 4.10 Quarterly meetings will be held by the DHP working group, which currently consists members of Caerphilly's Benefit Section, Rent Section, Homelessness Section and Housing Associations, who will discuss and review criteria in order to guarantee that the DHP fund is utilised effectively and is paid to those who need it most.

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, CCBC 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 not 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 for Work and Pensions for the DHPs 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]*.

Author: Amanda Main, Acting Housing & Council Tax Benefit Manager
E-Mail: Maina@caerphilly.gov.uk

Consultees: Nicole Scammell, Acting Director of Corporate Services & Section 151
N. Barnett, Acting Chief Executive
Cllr K Reynolds, Deputy Leader/Cabinet Member for Corporate Services
Cllr H W David, Chairman - Policy & Resources Scrutiny Committee
Cllr Mrs J Summers, Vice-Chairman - Policy & Resources Scrutiny Committee
David Regan, Lead Officer W.R.A.