



To: Executive Councillor for Customer Services and Resources
Report by: Alison Cole, Head of Revenues and Benefits
Relevant scrutiny committee: Strategy and Resources
17 March 2014
Wards affected: All Wards

Discretionary Housing Payment & Welfare Reform Transitional Funding Update Report

1. Executive summary

1.1 This report provides an update on the use of Discretionary Housing Payment (DHP), current DHP funding and new additional funding to help with the housing needs of those affected by housing benefit reforms.

2. Recommendations

The Executive Councillor is recommended to:

- acknowledge the impact of the welfare reforms and the support given to tenants affected by the changes;
- approve the carry forward to 2014/15 of the unspent additional contribution (see 3.12);
- approve the transfer of additional contribution allocation for 2014/15 to the DHP budget from the DCLG homeless prevention fund (see 3.13).

3. Background

- 3.1 Officers were asked to provide an update on the spending of the Discretionary Housing Payment fund during 2013/14.
- 3.2 As at 13th February 2014, £162,805 has been spent and a further £18,466 committed to be spent to the end of the financial year. Total spend for 2013/14 is currently estimated at £181,271.

3.3 The Government contribution is £182,340 for 2013/14 and £182,516 for £2014/15.

Transitional Funding

3.4 The Department for Work and Pensions (DWP) informed the council via housing benefit Circular S/5 2013 that additional funding was to be made to ease the transition of Housing Benefit changes.

3.5 For Cambridge, the additional funding was £21,667 and is being used to increase the visiting capacity for DHP claimants. Most of these additional visits have been to those who have disabilities.

Award Details

3.6 Claims for DHPs have been monitored to identify trends. Over 70% of the amount of DHP has been spent on spare room subsidy removal and about 35% of awards were due to disability.

3.7 Awards are limited to a financial year. Best practice is for awards to be reviewed to ensure that there have not been changes in circumstances. Officers will review awards that end on 31 March 2014 either by telephone, visit or completion of a short form during March 2014.

3.8 As at 13 February there have been 509 awards of DHP, of which;

- 5 affected by benefit cap total of awards £1,236
- 394 affected by spare room deduction, total of awards £132,634
- 84 affected by Local Housing Allowance total of awards £36,737
- 26 other reasons total of awards £10,664

3.9 The DWP has instructed authorities to record and report on the broad or main outcomes expected from an award of DHP and these are shown below as at 13 February 2014.

- 19 awards were to move to alternative accommodation
- 142 were made to help with rent until able to move to alternative accommodation
- 36 awards to help until able to get employment
- 176 made to help with rent due to person having a disability
- 136 other reasons

3.10 Regular meetings with City Homes, Housing Advice and other support agencies have taken place over the last year and will continue to ensure that providers are aware of the existence of DHP's and the funding available.

Additional contribution to funding

- 3.11 To help provide further support for DHP in addition to the government contribution, the Housing Advice Service, via its Homelessness Prevention Grant (Department for Communities and Local Government funding), transferred funds towards the DHP's overall cash limit to help prevent homelessness via DHP payments.
- 3.12 This additional contribution to DHP funding that is currently unspent is £137,920 and approval is sought to carry forward the unspent allocation to 2014/15.
- 3.13 Additionally, a further sum of approximately £41,000 has been earmarked as the 2014/15 contribution from the DCLG homeless prevention fund and approval is sought to transfer this amount to the DHP budget.

Exemption from spare room subsidy changes

- 3.14 An exemption from the removal of the spare room subsidy was identified early in 2014, which meant that 15 tenants who were previously affected by this reform have had their restriction on housing benefit lifted from 1 April 2013 to 2 March 2014.
- 3.15 Legislation is now in place to restore the original policy intention from 3 March 2014.
- 3.16 Where a DHP has been paid, an overpayment of DHP has been calculated and we will endeavour to recover this from any future DHP awards. A total of £896 in DHP has been overpaid for the 3 claimants who are affected by this and who have been awarded DHP. The other 12 claimants affected by the exemption were not in receipt of DHP.

4. Implications

Financial Implications

- 4.1 With new requests for DHP still coming in, albeit at reduced numbers than earlier in the year, expectation is that spending on DHP will marginally exceed the Government Contribution figure of £182,340.

4.2 DWP Circular S1/2014 issued in January 2014 gave details of the government contribution and overall expenditure limit for 2014/15. The government contribution for Cambridge City is £185,516 and the overall limit is £456,290.

Equal Opportunities Implications

4.3 The Equality Impact Assessment (EqIA) will be reviewed after the end of the financial year.

Environmental Implications

4.4 There are no environmental implications from this proposal.

Procurement

4.5 There are no additional procurement implications from this proposal.

Consultation and communication

4.6 No consultation required.

Community Safety

4.7 There are no additional implications from this proposal.

5. Background papers

None

6. Appendices

None

7. Inspection of papers

If you have queries on the report please contact:

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