

Item

DISCRETIONARY HOUSING PAYMENT - UPDATE



To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources

Strategy & Resources Scrutiny Committee 19 March 2018

Report by:

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Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

Not a Key Decision

1. Executive Summary

- 1.1 This report is to provide an update on the funding and use of Discretionary Housing Payments (DHP) to support those affected by Welfare Reforms.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 To approve the carry forward to the 2018/19 financial year the final unspent additional DHP contribution (see paragraph 4.7).
- 2.2 To delegate approval for the future carry forward of any underspent additional DHP contribution, to Head of Revenues and Benefits.

3. Background

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3.1. DHP is an extra payment to help people who claim housing benefit or Universal Credit and are struggling to pay their rent.

3.2 Increasing the level of funding for DHPs was one of the ways in which the Department for Work and Pensions (DWP) sought to mitigate the impact of some of the reductions to Housing Benefit entitlement introduced as a result of Welfare Reforms including Removal of the Spare Room Subsidy, the household Benefit Cap and reforms to the Local Housing Allowance (for claimants in private rented housing).

3.3 The breakdown of DHP awards during 2015/2016, 2016/2017 and totals to date for 2017/2018 are below.

	2015/2016	Awards	2016/2017	Awards	2017/2018	Awards
Benefit Cap	2,509	2	40,915	47	97,254	99
Spare Room Subsidy	116,403	311	104,388	251	88,410	217
Local Housing Allowance	27,176	68	32,104	59	41,534	68
Other and one off awards	6,924	32	12,453	37	14,188	47

- Benefit Cap – This is now the main reason a DHP is awarded and is also the highest average award by category.
- Spare Room Subsidy - There continues to be a reduction in the number of and value of awards. This is mostly due to the work done to support moves to more appropriate accommodation. There has been a reduction from the initial 750 to 535 as at January 2018.
- Local Housing Allowance – The gap between LHA rates and average rents continues to put a strain on those living in the Private Rented

Sector and DHP's have helped support households who are unable to move to other accommodation. It is also going to be used to support the HB Plus and HB Family Plus initiatives mentioned below.

3.4 Working with colleagues in City Homes and Housing Advice, the use of DHP has protected many recipients from having increased rent arrears and has had the potential to prevent households from becoming homeless.

3.5 One such proposal is the HB Plus and HB Family Plus schemes that are being developed by the Council; the former being for single households and couples, the latter for those requiring family sized accommodation.

3.6 The schemes work in partnership with Cambridge CAB and CHS Group to provide financial advice and support and employment support. DHP's will be used to pay the difference between the Local Housing Allowance rate and average rent figures to provide a stable environment for CAB and CHS Group colleagues to support these households to becoming more self-sufficient by the end of the project.

3.7 DHP's will be guaranteed for a year for singles and couples and for two years for families where they continue to live in Cambridge City.

3.8 The value of and the reason for all awards is monitored on a monthly and quarterly basis to ensure consistency of decision making whilst retaining the discretionary nature of the award scheme.

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

3.10 Referrals for debt advice, signposting to employment support and housing advice and support are all part of the DHP process.

4. Implications

(a) Financial Implications

4.1 Details of the Government award and the Overall Limit for DHP awards (2.5 times the contribution) can be found in DWP Circular S1/2018. For 2018/2019, the government contribution is £223,961 and the Overall Limit is £559,903.

4.2 For 2017/2018, the contribution was £243,719 and Overall Limit was £609,298.

4.3 Demand is difficult to predict, due to a steep increase in households affected by the Benefit Cap but there are signs of a steady decrease in the numbers impacted by the Removal of the Spare Room Subsidy.

4.4 Cross section working within the Council and collaboration with external partners has delivered robust mechanisms to support households in the short term and to encourage them, where possible, to make changes that will offer longer term solutions.

4.5 Based on estimates at 1st February 2018, total DHP expenditure for 2017/2018 is likely to be £275,000, exceeding the Government Contribution of £243,719 by £31,281. This may change as HB Plus and HB Family Plus comes on stream during the final quarter of the financial year.

4.6 To help provide further support for DHP, in addition to the above government contribution, the Housing Advice Service, via its Homelessness Prevention Grant (Department for Communities and Local Government funding), transferred funds in prior years towards the DHP's overall cash limit to help prevent homelessness via DHP payments. The budget carried forward to the 2017/18 financial year was £196,700.

4.7 With an estimated spend in excess of the government contribution of £31,281 for the 2017/18 financial year, the additional contribution to DHP funding that is projected to be unspent by the end of the financial year is £165,419 (budget carried forward to the 2017/18 financial year was £196,700, less estimated spend in excess of the government contribution of £31,281 = £165,419). Approval is therefore sought to carry forward the final unspent additional contribution to DHP funding to the 2018/19 financial year to continue the work to support households impacted by welfare reform.

4.9 To put DHP awards in context, Housing Benefit expenditure for the current financial year (2017/2018) is estimated at £37,500,000 for Cambridge.

(b) Staffing Implications

None

(c) Equality and Poverty Implications

4.9 Yes. DHP payments continue to be used effectively to mitigate the impact of Welfare Reforms by supporting the most vulnerable benefit recipients.

4.10 The rationale for awards has not changed since last year.

(d) Environmental Implications

None

(e) Procurement Implications

None

(f) Community Safety Implications

None

5. Consultation and communication considerations

No consultation undertaken.

6. Background papers

None

7. Appendices

None

8. Inspection of papers

To inspect any background papers or if you have a query on the report please contact:

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