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## **DISCRETIONARY HOUSING PAYMENTS – 2015/16 MID YEAR PERFORMANCE REPORT**

**Report by Service Director Neighbourhood Services**

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### **EXECUTIVE COMMITTEE**

**1 December 2015**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report details the activity of the Discretionary Housing Payment scheme to the second quarter of 2015/16. The report provides an update on the funding and performance of the scheme.**
- 1.2 The total amount of Discretionary Housing Payments awarded in the first two quarters of 2015/16 was £556,951.
- 1.3 The total amount of Discretionary Housing Payments awarded and paid in 2014/15 was £733,398.
- 1.4 There were 1,354 Discretionary Housing Payment applications received in the first two quarters of 2015/16. Of the 1,354 decided 1,254 (93%) were successful.

#### **2 RECOMMENDATIONS**

- 2.1 **I recommend that the Executive Committee:**
  - (a) notes the activity relating to Discretionary Housing Payments in the first two quarters of 2015/16.**
  - (b) receives future updates on the scheme via the regular financial and performance monitoring reports.**

### 3 BACKGROUND

- 3.1 Discretionary Housing Payments were introduced in July 2001 and replaced the Exceptional Hardship and Exceptional Circumstances Payments. They are not payments of Housing Benefit but separate payments made at the Council's discretion, within Government guidelines, in cases where it is considered that extra help with housing costs is needed.
- 3.2 Payments are funded from a budget provided by the Department for Work and Pensions (DWP) and Scottish Government. In addition, for 2014/15 the Council could top up, by 1.5 times the level of funding available for this purpose. This restriction has been removed and there is no limit to the level of top up the Council can provide. This top up includes any contribution from Scottish Government.
- 3.3 The Scottish Government (SG) has reduced the guaranteed funding provided from £426,546 for 2014/15 to £65,266 in year 2015/16. The SG has also committed to mitigating the social sector size reductions and up to £122,734 will be made available in May 2016 if the initial budget of £548,607 (the combination of the DWP and SG funds) is exceeded. The additional sum will only be paid based on the amount it costs the authority to mitigate the Social Sector Size Criteria reductions. The Council has committed to providing a top up of £58,000 if required.
- 3.4 The funding comparison is:-

	<b>2015/16</b>	<b>2014/15</b>
SBC discretionary top up	£ 58,000	£ 58,000
DWP Budget	£483,341	£464,841
Scottish Government top up	£ 65,266	£426,546
Scottish Government provisional top up	<u>£122,734</u>	
Table <b>Funding available</b>	<u>£729,341</u>	<u>£949,387</u>

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- 3.5 The information at Table 1 reflects available in year funding together with the £122,734 provisional top up payment which will be made in May 2016 dependent on the Scottish Government's assessment of Councils meeting the spending criteria.
- 3.6 The Council revised its Discretionary Housing Policy on 31 October 2013 to take account of the increased funding and welfare reforms. Anyone who is currently receiving Housing Benefit, and requires further help with their housing costs, can apply for additional help. This is typically because of a high rent, a claimant who has more bedrooms than allowed within the Housing Benefit regulations, to help with costs when moving, rent deposits or where the claimant is responsible for rents on two properties for a short period. The policy is being reviewed annually taking into account the impact of funding changes.

## 4 CURRENT POSITION

4.1 The total figures for 2015/16 compared to 2014/15 and an estimate of projected spend are shown below:-

<b>Number of DHP claims and spend</b>			
	<b>2015/16</b>	<b>2015/16</b>	<b>2014/15</b>
	<b>Projected spend for April 2015 to March 2016</b>	<b>Actual spend for April 2015 to September 2015</b>	<b>Actual spend for April 2014 to March 2015</b>
Number of Applications considered	2,176	1,354	2,265
One-off payments	£42,686	£21,343	£69,798
Ongoing payments	£669,510	£535,608	£663,600
<b>Total awards</b>	<b>£712,196</b>	<b>£556,951</b>	<b>£733,398</b>

Table2

- 4.2 Awareness of Discretionary Housing Payments has increased dramatically in the last two years, particularly due to the take up campaign started in January 2014. Scottish Borders Council will continue to work closely with Scottish Borders, Berwickshire, Waverley and Eildon Housing Associations to identify people who need help because of the changes in the spare room subsidy. As budgets have been reduced, a review of the awards policy and procedure is being undertaken to ensure the budget provisions continue to be allocated and spent in alignment with policy priorities
- 4.3 The Council is also working jointly with the Department for Work and Pensions to identify and support people who are affected by the Benefit Cap. The number of people affected by the benefit cap is likely to increase in April 2016 if the level of the cap reduces from £25,000 per year to £20,000 per year creating additional pressure for DHPs.
- 4.4 As predicted in previous reports, the full level of available funding was not required in 2014/15 however based on 2014/15 expenditure this may not to be the case in 2015/16 due to reduced funding levels.
- 4.5 As in previous years unspent funding from the DWP would have to be repaid. The non DWP funding relates to Scottish Government funding which has been partially allocated to Councils with the balance only to be paid if required to mitigate the effects of the social sector size criteria reductions. In addition the Council has committed to a top up of £58,000 should there be an overall shortfall however this will ease the difficulties in planning for payments of awards in the latter part of the financial year and reduces the risk of applications being refused.
- 4.6 At 30 September 2015 there were no Discretionary Housing Payment applications awaiting decisions by officers.

- 4.7 The total number of applications received in the first two quarters of 2015/16 was 1,354, all of which were decided upon at the end of the period. A detailed analysis of claims is provided in Appendix 1. This shows that:-
- 1,254 (93%) of the claims decided have been successful. This is partly due to work with partner organisations, who have helped advise and signpost potential claimants who may not have been entitled under the previous policy.
  - 1,052 (84%) of those successful applications are from people affected by the social sector size criteria.
- 4.8 A campaign was undertaken in January 2014 to specifically target people affected by the the Social Sector Size Criteria reductions-who had not already come forward for help. The vast majority of tenants who have been affected the change have been identified and there is ongoing work to engage with the hard to reach people. This has included
- a letter and applications form;
  - telephone calls if we hold a contact number is held;
  - a visit to their home;
  - the offer of a further visit if assistance is required to make an application
- 4.9 The DWP allocation for DHPs in Scotland in 2015/16 has been reduced by £1.9 million however there has been a £19,000 increase in the Council's allocation for 2015/16 due to revision in the calculation data used by DWP. The Scottish Government has committed to topping up DHP funds to 80% of the estimated funding required to fully mitigate the impact of the social sector size criteria with up to a further 20% being made available when the total impact is known in May 2016.
- 4.10 The Scotland Bill currently being progressed through Parliament contains measures which would transfer powers to the Scottish Government allowing it to set up its own scheme.

## **5.0 IMPLICATIONS**

### **5.1 Financial**

Other than the financial implications outlined in the report, there is uncertainty on the future of funding for Discretionary Housing Payments.

### **5.2 Risk and Mitigations**

- (a) There is a risk that Scottish Borders Council may use all of the Discretionary Housing Payment funding before the financial year end and people who are in need may not be able to receive the intended assistance. This has been mitigated to an extent by further reviewing of the existing policy to ensure priority cases are identified and by the Council providing a top up provision for officers discretionary use.
- (b) The increased volume of applications, reviews and monitoring is causing an additional burden which will be partially mitigated by additional temporary resources funded from existing budget resources provided for such purposes.

### 5.3 Equalities

There are no adverse equality implications.

### 5.4 Acting Sustainably

(a) This report highlights that there are economic and social impacts which require to be monitored and may require a future policy change.

(b) No environmental effects were identified.

### 5.5 Carbon Management

There are no effects on carbon emissions.

### 5.6 Rural Proofing

This policy highlights the additional funding that is specifically aimed at rural issues. Changes to the Discretionary Housing Payments Policy were previously made following a workshop with stakeholder groups and a take up campaign focused specifically on people affected by the Social Sector Size Criteria in rural areas.

### 5.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to the Scheme of Delegation required.

## 6.0 CONSULTATION

6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR, the Clerk to the Council and Communications & Marketing have been consulted and their comments have been incorporated into the report.

### Approved by

**Jenni Craig**

**Service Director Neighbourhood Services Signature .....**

### Author(s)

Name	Designation and Contact Number
Jenni Craig	Service Director Neighbourhood Services, 01835 825013
Les Grant	Customer Services Manager 01835 824000 ext 5547

**Background Papers:** None

**Previous Minute Reference:** Scottish Borders Council 21 April 2015.

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Newtown St. Boswells, MELROSE TD6 0SA. Tel 01835 824000 Ext 5547 email  
customerservices@scotborders.gov.uk

## Appendix 1

<b>DHP applications award breakdown 2015/16</b>						
Application Period	Reason / Outcome	Local Housing Allowance Changes	Not Related to Welfare Reform	Spare Room Subsidy	Benefit Cap	Total
Apr 15– Sep 15	Successful	77	115	1052	10	<b>1254</b>
	Refused	30	57	13	0	<b>100</b>
	<b>Spend</b>	<b>28,071</b>	<b>24,756</b>	<b>488,169</b>	<b>15,955</b>	<b>556,952</b>

<b>Refusal Reasons</b>	<b>April 2015 to September 2015</b>	<b>2014/15</b>
Benefit Increased as a result of application	0	5
Capital	3	7
No rent shortfall	5	20
Refusal to move to a more affordable property (after some short term help)	0	4
Withdrawn / Info not provided	28	46
Excess Income	0	1
No HB claim	20	64
No hardship shown	13	28
Excluded charges	0	13
Other	31	51
Outgoings unreasonably high	0	1
<b>Totals</b>	<b>100</b>	<b>240</b>