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## **DISCRETIONARY HOUSING PAYMENTS – 2014/15 PERFORMANCE REPORT**

**Report by Service Director Neighbourhood Services**

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### **EXECUTIVE COMMITTEE**

**21 April 2015**

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

- 1.1 This report details the activity of the Discretionary Housing Payment scheme in 2014/15, as requested by the Council at its meeting on 28 March 2013. The report provides an update on the funding and performance of the scheme for 2014/15.**
- 1.2 The total amount of Discretionary Housing Payments awarded in 2013/14 was £492,855.04
- 1.3 The total amount of Discretionary Housing Payments awarded and paid in 2014/15 was £726,465.88.
- 1.4 There were 2,238 Discretionary Housing Payment applications received. Of the 2,191 decided 1,951 (89%) were successful. The high rate has been achieved by a designated Take Up officer employed by the Council working jointly with Citizens Advice Scotland and Housing Associations to identify people who may be eligible and improve the quality of applications.
- 1.5 A joint take up campaign with the four main Housing Associations specifically targeted tenants who had been affected by the Removal of Spare Room Subsidy. At 31 March 2015 an estimated 89% of people affected had applied for a Discretionary Housing Payment. This reduction in the level of applications is due to the turnover of cases and the identification of new potential cases. The take up work is continuing with staff trying to engage with those people who have not yet applied.

#### **2 RECOMMENDATIONS**

- 2.1 I recommend that the Committee notes the activity relating to Discretionary Housing Payments for 2014/15 and continues to monitor the position on a quarterly basis.**

### 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). 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 As outlined in Table 1 below, the Scottish Government has reduced the guaranteed funding provided from £426,546 for 2014/15 to £65,266 in year 2015/16. There is also a provision to mitigate the social sector size reductions and up to £122,734 will be made available if the initial combined budget of £548,607 is exceeded. The additional sum will only be paid depending on the year end spend and the amount it costs the authority to mitigate the Social Sector Size Criteria reductions.

- 3.4 The funding comparison is:-

	<b>2015/16</b>	<b>2014/15</b>
DWP Budget	£483,341	£464,841
Scottish Government top up	£ 65,266	£426,546
Scottish Government		
provisional top up	<u>£122,734</u>	
Funding available	<u>£671,341</u>	<u>£891,387</u>

Table 1

- 3.3 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 will be reviewed annually to account for funding changes.

## 4 CURRENT POSITION

- 4.1 The total figures for 2014/15 compared to 2013/14 are shown below however final 2014/15 position may differ if for example positive decisions are made on outstanding applications :-

<b>Number of DHP claims and spend</b>		
	<b>2014/15</b>	<b>2013/14</b>
	<b>April 2014 to March 2015</b>	<b>April 2013 to March 2014</b>
Number of Applications considered	2,191	1,372
One-off payments	£68,107	£50,011
Ongoing payments	£637,770	£442,844
<b>Total awards for the year</b>	<b>£705,877</b>	<b>£492,855</b>

Table2

- 4.2 Awareness of Discretionary Housing Payments has increased dramatically in the last year, particularly due to the take up campaign which 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.
- 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.
- 4.4 As predicted in previous reports, the full level of funding was not required in 2014/15. The high level of take up means that the vast majority of tenants who are likely to be eligible have applied. The amount spent exceeded the total funding provided by the DWP which is the element of funding that may have been required to be repaid to the DWP if it had not been spent. The remaining budget relates to Scottish Government funding which is not ring fenced but has been supplied to alleviate the effect of Welfare Reforms. The use of this budget is reported via the normal financial monitoring process.
- 4.5 At 31 March 2015 there was a backlog of 19 Discretionary Housing Payment applications. None of these applications were more than a week old.
- 4.6 The total number of applications received in 2014/15 was 2,238 which includes applications which were still to be decided or could not be processed due to lack of information.
- 4.7 A detailed analysis of claims is provided in Appendix 1. This shows that:-
- 1951 (89%) of the claims decided have been successful. This is partly due to work done by the Take Up Officer and partner organisations, who have helped advise and signpost potential claimants who may not have been entitled under the previous policy.

- 1,413 (72%) of those successful applications are from people affected by the social sector size criteria.

## **Take up Campaign**

4.8 A campaign was undertaken in January 2014 to specifically target people affected by the Removal of the Spare Room Subsidy who had not already come forward for help. Everyone who has been affected the change has been identified and there is ongoing work to engage with the hard to reach people. A designated Take Up Officer has tried to contact every tenant who is likely to be affected and they have received

- a letter and applications form;
- telephone calls if we hold a contact number;
- a visit to their home;
- the offer of a further visit if assistance is required to make an application

4.9 The Take Up Officer post ended on 30 September 2014 but Council staff have continued to work jointly with the four main Housing Associations to reach the people who have not responded and any new claimants who may be eligible.

## **5 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**

- For 2015/16 there is a risk that there will be insufficient budget available via the DWP and the Scottish Government to meet demand. To mitigate this risk the number, and monetary value, of applications will be closely monitored and the policy revised, if required.
- 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**

- This report highlights that there are economic and social impacts which require to be monitored and may require a future policy change.
- 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 have been made following a workshop with stakeholder groups and a take up campaign will focus specifically on people affected by the Removal of the Spare Room Subsidy 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 Service Director Capital Projects and the Clerk to the Council have been consulted and their comments have been incorporated into the report.

**Approved by**

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

**Author(s)**

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**Background Papers:** None

**Previous Minute Reference:** Scottish Borders Council 4 November 2014.

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Contact us at Les Grant, Customer Services Manager, Scottish Borders Council, Newtown St. Boswells, MELROSE TD6 0SA. Tel 01835 824000 ext 5547 Fax 011835 825011.

<b>DHP applications award breakdown 2014/15</b>						
Application Period	Reason / Outcome	Local Housing Allowance Changes	Not Related to Welfare Reform	Spare Room Subsidy	Benefit Cap	Total
Apr 14-Mar 15	Successful	164	360	1413	14	<b>1,951</b>
	Refused	42	153	43	2	<b>240</b>
	<b>Spend</b>	<b>£47,903</b>	<b>£102,587</b>	<b>£542,009</b>	<b>£13,378</b>	<b>£705,877</b>

<b>Refusal Reasons</b>	<b>2014/15</b>	<b>2013/14</b>
Benefit Increased as a result of application	5	13
Capital	7	2
No rent shortfall	20	9
Refusal to move to a more affordable property (after some short term help)	4	11
Withdrawn / Info not provided	46	41
Excess Income	1	39
No HB claim	64	38
No hardship shown	28	48
Excluded charges	13	0
Other	51	68
Outgoings unreasonably high	1	9
<b>Totals</b>	<b>240</b>	<b>278</b>