

**REPORT TO:** Executive Board

**DATE:** 12 December 2013

**REPORTING OFFICER:** Strategic Director – Policy and Resources

**PORTFOLIO:** Resources

**SUBJECT:** Discretionary Housing Payment Fund and Discretionary Support Scheme

**WARD(S):** Borough-wide

## 1.0 PURPOSE OF REPORT

- 1.1 To seek the Board's approval to the removal of the ring fence around the Discretionary Support Scheme budget, to enable the Council to use that resource, if necessary, to supplement the Discretionary Housing Payment budget.
- 2.0 **RECOMMENDATION:** That the ring fence around the Discretionary Support Scheme Fund be removed, to enable the budget to supplement the Discretionary Housing Payment Fund, if that becomes necessary.

## 3.0 BACKGROUND TO BOTH SCHEMES

### Discretionary Support Scheme

- 3.1 The Discretionary Support Scheme, which was previously administered by The Department of Work and Pensions (DWP), was abolished by the Welfare Reform Act from April 2013. At this time Crisis Loans (CL), for general living expenses and Community Care Grants (CCG) were replaced by a new discretionary service administered by the Council. The Corporate Policy and Performance Board (PPB) was instrumental in developing the key aspects of the Council's Scheme.
- 3.2 The scheme was in place and introduced in Halton in April. Its introduction was done to a very tight timescale and happened during a time of significant change for the Revenues and Benefits Team. Payments from the Scheme have been made against a set of criteria previously agreed by this Board and developed, in consultation, by the PPB.
- 3.3 Halton was allocated the following funding, over a two year period. No announcements have been made about future funding:

2013/2014 Administrative funding £137,257

2014/2015 Programme Funding £649,558

2014/2015 Administrative funding £125,810

3.4 This funding was not ring fenced. However, the DWP stated that although they do not expect local authorities to replicate the existing scheme it was the intention of government that the funding would be used by Councils to provide support to vulnerable people in their area.

3.5 The Council agreed that the core elements of the previous DWP scheme be retained where possible, namely:

- Assistance with living expenses due to an emergency or crisis.
- Assistance for vulnerable people to help return to or remain in the community or, to ease exceptional pressure on families.

The scheme has been running since 1 April 2013 and is unlikely to spend its full allocation. Although some recent changes to the scheme will mean that expenditure will increase in the second half of the financial year, it will be important for the Council to fully review the scheme at the end of the first year. The Executive Board have previously asked the Corporate PPB to undertake that work.

### **Discretionary Housing Payment**

3.6 Discretionary Housing Payments (DHP) provides claimants with further financial assistance, in addition to any welfare benefits, when the Council considers that help with housing costs is required.

3.7 Discretionary Housing Payments are available to claimants who are entitled to:

- Housing Benefit (HB), or
- Universal Credit (UC), and
- Have a rental liability, and
- Require further financial assistance with housing costs.

The level of award may cover all or part of a shortfall in rent or to assist with the cost of taking up a new tenancy.

The various types of shortfalls that a DHP can cover include:

- under-occupation in the social rented sector
- benefit cap has been applied

- Local Housing Allowance restrictions
- rent shortfall (in part or in full) between eligible rent and HB award
- non-dependant deductions
- income tapers
- reductions in HB or UC

In general, 'housing costs' means rental liability and include:

- rent
- rent deposits, or
- rent in advance, or
- other lump sum costs associated with a housing need such as removal costs

Discretionary Housing Payments cannot be awarded towards:

- Ineligible service charges (example – gardening charges, water charges, meals)
- Support charges (example – charges related to care or supervision)
- Increases in rent to cover rent arrears which are not liable for HB
- Sanctions and reductions in benefit (including HB overpayment recovery action)
- Amounts of HB/CTB that have been suspended
- Rent where a person is getting support through a Council Tax Reduction Scheme (CTRS) but not HB or UC

This fund is ring fenced and for 2013/2014 Halton was allocated £310,964.

The DHP budget, perhaps not surprisingly, is under pressure. There has been an increase of 628% in the number of DHP applications so far received this year, compared with last. It is the Council's key tool in helping people who are having difficulty in paying their rent. It is not a permanent solution but it can provide people with some breathing space as they seek longer term solutions.

## **Proposals**

3.8 Given that the DSS budget can be used as the Council sees fit, it is suggested that the DSS budget be used, if necessary, to relieve the pressure on the DHP budget, thus giving maximum flexibility to the Council to help some of the most vulnerable members of Halton's Community. Spend on both budgets would be kept under close scrutiny via the Corporate Policy and Performance Board.

## **4.0 POLICY IMPLICATIONS**

4.1 The Board is being asked to increase the flexibility of the use of the DSS budget.

## **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

5.1 It has the potential to affect all Council priorities.

## **6.0 RISK ANALYSIS**

6.1 Payments will be monitored from both Schemes to ensure that these remain with budget.

6.2 A report will be submitted to the Corporate PPB at the end of the current financial year updating the Board on the above arrangements, as previously agreed by the Executive Board.

## **7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 The eligibility criteria and application process would have to ensure that no particular groups of individuals were excluded. An Equality Impact Assessment will need to take place on any amended Scheme.

## **8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Various letters from the Department of Works and Pensions	Revenues & Benefits & Customer Services Division Kingsway House Widnes	Peter McCann