

<b>1.</b>	<b>Meeting:</b>	<b>Cabinet</b>
<b>2.</b>	<b>Date:</b>	<b>10<sup>th</sup> April 2013</b>
<b>3.</b>	<b>Title:</b>	<b>Discretionary Housing Payments (DHP)</b>
<b>4.</b>	<b>Directorate:</b>	<b>Resources</b>

## **5. Summary**

Discretionary Housing Payments (DHP) is administered by local authorities and allows additional help to be given to claimants where their Housing Benefit entitlement is not sufficient to cover their housing costs.

DHP funding is provided by the Department of Works and Pensions (DWP). To help local authorities deal with the impact of welfare reform, in particular the Social Sector Size Criteria and the Benefit Cap, the national annual funding for 2013/2014 has been increased from £60m to £155m. As a result of this Rotherham's allocation has increased from £115k to £437k.

It should be noted that the Government recently announced protection for foster carers against the social size criteria rules and as a result of this it is expected that funding will be reduced although the actual changes to legislation and the amount of funding is as yet unknown.

Although the increase in funding is substantial it is small compared with the estimated total benefit loss in Rotherham as a result of the Social Sector Size Criteria and the Benefit Cap will be £3.27m.

The authority may spend in excess of the DWP funding with a maximum upper spending limit of £1.094m, however any spend above the funding level of £437k has to be met from the Council's own funds.

Although authorities have local discretion on how the funding is spent there is an expectation that local authorities will follow DWP guidance (which has recently been updated) in administering the Discretionary Housing Payment scheme.

## **6. Recommendations**

**Cabinet are asked to:**

- **Note the contents of the report; and**
- **Approve that funding will be prioritised to:**

- **Support Disabled people who live in significantly adapted accommodation who are affected by the Social Sector Size Criteria**
- **Support Foster Carers who need an extra room and who are affected by the Social Sector Size Criteria**
- **Provide short term assistance to Claimants affected by the Benefits Cap**

## 7. Proposals and Details

- 7.1 DHP can be awarded as additional assistance towards housing costs. At present awards are made for many reasons but the majority are made to private rented tenants whose Local Housing Allowance rate does not meet their full rent. The increase in funding for 2013/2014 is to help local authorities to deal with the impact of welfare reform, in particular the Social Sector Size Criteria and Benefit Cap.
- 7.2 **Social Sector Size Criteria (“Bedroom Tax”)** – From 1st April 2013 many social housing tenants living in properties deemed too large for them by the DWP will have their Housing Benefit payments cut by 14% where over occupying by one room and 25% where over occupying by two rooms.
- 7.3 In Rotherham latest estimates are that 4,384 households will be affected with an average loss of £12.66 per week. Of those 3,577 will see a 14% cut with an average loss of £11.24 per week, while 799 will see a 25% cut with an average loss of £19.58 per week.
- 7.4 Current DWP guidance suggests that the additional DHP funding for the “Bedroom Tax” should be target specifically at two groups:
- Disabled people who live in significantly adapted accommodation; and
  - Foster carers, including those who need to keep an extra room when they are in between fostering. The anticipated introduction of protection for Foster Carers may remove the requirement for DHP in these cases.
- 7.5 **Benefits Cap** – From 15/07/2013 the DWP will introduce a cap on the maximum total out of work benefits to £500 per week for a couple and £350 per week for single adults. The cap will be administered by local authorities through a reduction in Housing Benefit entitlement. Some households in receipt of certain benefits such as Disability Living Allowance, Attendance Allowance etc will be exempt from the cap.
- 7.5 In Rotherham, latest estimates are that 136 households will be affected with an average loss of £53.18 per week.
- 7.6 DWP guidance regarding the additional DHP funding for the Benefit Cap is to provide short term assistance rather than a long term solution.
- 7.7 **Applications for DHP** – Applications for DHP must be made on the official council DHP application form which is available from the Benefit Assessment Team (01709 - 336065), on line from [www.rotherham.gov.uk/dhp](http://www.rotherham.gov.uk/dhp) or at any of the authorities Customer Service Centres.
- 7.8 The application will be assessed by a Senior Benefit Officer of the Benefits Assessment Team. Although there is no right to appeal to an independent body the Service operates a internal review process where applicants are not satisfied with the outcome.

## **8. Finance**

- 8.1 Funding of £437k had been provided by the DWP for DHP. The authority may spend up to a maximum £1.094m, however, any spend above the funding level has to be met from the Council's own funds.
- 8.2 It should be noted that the Government recently announced protection for foster carers against the social size criteria rules and as a result of this it is expected that funding will be reduced although the actual change to funding is as yet unknown.

## **9. Risks and Uncertainties**

The risks for the Council are as follows:

- It is anticipated that the demand for DHP will substantially exceed both the allocated funding of £437k and the upper spending limit of £1.094m. Any spend over the DWP funding level will have to be met from Councils own funds.
- DHP spending will be closely monitored throughout the year and reported back to Members.

## **10. Policy and Performance Agenda Implications**

DHP applications are, due to their discretionary nature, complicated to assess and the substantial increase in numbers that we are already experiencing will result in delays in the assessment and notification of results to claimants.

## **11. Background Papers and Consultation**

DWP Guidance (Draft)

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