

Title	Discretionary Housing Payments
For further information about this report please contact	June Braithwaite Benefits Team Leader 01926 456139 june.braithwaite@warwickdc.gov.uk
Wards of the District directly affected	N/A
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	N/A
Background Papers	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	27/11/13	Chris Elliott
Head of Service	27/11/13	Mike Snow
CMT		
Section 151 Officer	27/11/13	Mike Snow
Monitoring Officer		
Finance	27/11/13	Mike Snow
Portfolio Holder(s)		
Consultation & Community Engagement		
Final Decision?		

1. **SUMMARY**

- 1.1 This report has been prepared at the request of members to provide information regarding discretionary housing payments. These payments are predominantly being used for those whose housing benefit has reduced as a result of the introduction of the spare room subsidy and therefore further information has been included in respect of those who are affected.

2. **RECOMMENDATION**

- 2.1 The report is for information only

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 N/A

4. **POLICY FRAMEWORK**

- 4.1 The Discretionary Housing Payments Policy was updated in March 2013 so as to ensure that it continued to support the sustainable community strategy and the cross cutting themes and in particular narrowing the gaps.

5. **BUDGETARY FRAMEWORK**

- 5.1 The discretionary housing payments fund is provided for by Government and was increased considerable this year to assist claimants affected by the welfare reform changes. The Council have the option to increase the fund from their own budgets, and should this be considered necessary a full report would need to be presented to full council for approval.

6. **ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 There are no alternative options – this is an information report only.

7. **BACKGROUND**

- 7.1 The budget for discretionary payments was increased significantly to £168,556 in April 2013 by Central Government to enable the Council to provide additional assistance to those affected by the Welfare reforms. The Discretionary Housing Payment policy was revised and presented to members in March 2013 to reflect these changes. A report was made available to Committee providing an update following the first quarter of the financial year in respect of both discretionary payment and the effects of the spare room subsidy. The Benefits Section has been asked to present a further report detailing more up to date figures on discretionary payment expenditure.
- 7.2 Analysis work was undertaken in 2012 to identify those who were considered to be under-occupying and therefore affected by the spare room subsidy, so that both the landlords and the tenants could be notified of the reduction in their Housing Benefit. There were 1,043 households originally affected and they were all offered advice and support by both the Benefit Department and their respective landlords. Figures available in June 2013 showed that the number affected had reduced to 957, and this has reduced further to 791 in November 2013. The figures obtained in November

2013; show that 791 households are currently under occupying, 564 of these are LA tenants.

7.3 The table below shows a breakdown of the reasons why under occupation no longer applies.

Reason spare room subsidy no longer applies	No affected
Vacated property and no longer claiming benefit in Warwick District	6%
Started work or increased hours so no longer entitled to benefit	24%
Change to household – additions and birthdays which mean claimant is no longer under occupying	28%
Claimant is now a pensioner – under occupation no longer applicable	2%
Claimant has taken in a lodger	1%
Non dependant deduction now too high to qualify for benefit	2%
Claimant moved to a more suitable sized property	6%
Claimant receives overnight care	5%
Claimant has a disabled child who cannot share a room	2%
Claim cancelled reason unknown	13%
Other	11%

7.5 Since the last report, a 'cap' has now been introduced and applies to the combined income from the main out-of-works benefits, plus Housing Benefit, Child Benefit and Child Tax Credit. The cap has been set at:

- £500 per week for couples and lone parents
- £350 per week for single adults.

For those affected, their Housing Benefit has been reduced to make sure that the total amount of benefits received is not more than the cap level. From the 15th July 2013, the Department of Work and Pensions started to notify the Benefits Section when a cap is to be applied.

7.6 Prior to the implementation of the Benefit Cap, the DWP scans showed that a total of 36 tenants were likely to be affected; 18 private tenants and 18 council tenants. Prior to the cap starting, all those affected were contacted and informed of the change to their Housing Benefit. They were all offered advice and support by both the Benefits Department and the Housing Department's Financial Inclusion Officer (for WDC tenants), which included being referred to the Coventry and Warwickshire Cooperative Development Agency for budgeting advice where appropriate. When the national roll-out started, the actual number of affected households within our area reduced to 24 (13 private tenants and 11 council tenants.) As at 19th November 2013, 20 Housing Benefit claims are capped. The reasons for the cap being removed are likely to be:

- Claimant is now entitled to Working Tax Credit following a return to work and therefore exempt from the cap.
- Relocated to a property with a cheaper rent.
- They have a child in receipt of a disability benefit.

7.7 From the 1st April 2013 to the 19th November 2013, 470 applications for discretionary payments have been received. A total of 452 applications have been processed and 304 awards have been made totalling £118,816, the budget currently stands at £49,741. When considering a request for discretionary payments, details of both income and expenditure are considered together with the individual's circumstances. The length of each award varies depending on the particular circumstances of each case, when an award ends re-applications are not discouraged. However, in some cases we would expect to see some evidence of what a claimant is doing in order to help themselves. The following is a breakdown of the reasons for awarding a discretionary payment:

- Under Occupancy: 345 applications received / 234 awards granted
- Benefit Cap: 13 applications received / 12 awards granted.
- LHA Restrictions: (under 35 years) 3 received / 2 awards granted.
- No Impact (outgoings exceed income): 92 received / 54 awards granted.

7.8 Of the 148 Discretionary Housing Payment applications refused, the number of cases where the shortfall was deemed affordable was 115; this was due to the claimant having surplus weekly income or significant capital available. For some claimants their circumstances had changed since their application and therefore they no longer required additional help, others failed to comply with the application process by not providing the information requested.