

NORTH LANARKSHIRE COUNCIL REPORT

To: Policy & Resources (Finance & Customer Services) Sub-Committee	Subject: DHP Monitoring - Update	
From: Head of Revenue Services		
Date: 4 TH February 2014	Ref: BC /	

1 Introduction

1.1 This report provides an update on the operation of the Discretionary Housing Payment scheme (DHP) and the funding that is being provided from the Department of Work and Pensions (DWP).

2 Funding

2.1 In the current year, 2013/14, the Department of Works and Pensions provided the Council with base funding of £469,660 and additional grant funding of £117,866 which totals £587,526. The Council approved the topping up of the base funding by the maximum 2.5 multiplier at a cost of £704,490. This is summarised in Table 1 below. The Scottish Government thereafter provided funding to LAs, £697,402 for NLC, to allow them to top-up the DHP base funding to the maximum. The Scottish Government has indicated that it will continue its support in 2014/15.

Table 1

	Original	Adjustment	Total
Government Contribution	£374,676	£94,984	£469,660
DWP Bidding Fund	£117,866		£117,866
Council / Scottish Government Funding	£562,014	£142,476	£704,490
DHP Funds Available	£1,054,556	£237,460	£1,292,016

2.2 The DWP have announced the baseline funding for each Council for 2014/15 and NLC has £692,677. This is an increase of £223,017 or 47.5% on the previous year and is the 3rd highest rate of increase in Scotland and 6th highest nationally. This reflects the increase in awards met through the Council approved funding in 2013/14 and the additional demand met through the additional grant funding.

3 Year to Date Position as at 31st January

3.1 Appendix 1 details the cumulative position, Table 2, as at the end of each month for the current year, and the in-month position, Table 3, derived from this.

3.2 During the latter part of 2013 the volume of DHP applications being received monthly was decreasing and averaged approximately 300 per month. To promote the availability of the scheme, and endeavour to reach those households who had not yet engaged with us in line with our additional grant funding, the DHP application scheme was included with the issue of rent arrears notices to encourage recipients to consider if DHP could assist them. This has had a positive impact with 502 applications being received in January.

3.3 During December the increase in the level of support was applied to those households previously in receipt of 25% awards bring their support up to 66.67%. This accounts for the increase in DHP paid in December of £336,081. Along with the issue of rent arrears number of applications being received each week the % level of award for those cases which previously had scored 105 points and were in receipt of an award of 25% has been increased. The award value has now been increased to 66.67% back-dated to the date of application. This has resulted in a significant increase in the award value during December of £0.336m reflecting the back-date of the awards.

4 Annual Projection

4.1 The projection for 2013/14 is summarised in Table 4 below.

Table 4

Projection	January
Paid / Committed	£1,111,918
Projected New Awards	£36,626
Benefit Cap	£5,000
105 point Category	-
Pending	£30,000
Ad-Hoc Awards	<u>£10,000</u>
TOTAL	£1,193,544
	92.38%
Funding Available	£1,292,016

4.2 The level of projection for DHP awards (paid, committed, projected new applications etc) is broadly equivalent to the DHP funding available prior to receipt of the additional grant funding notified to the Council in December. As such there is now further work being undertaken to identify and contact households who potentially could benefit from support from DHP.

4.3 To ensure that those households that may need DHP are given the opportunity to access an award there are a number of actions that are being progressed:

4.3.1 Engagement with H&SW, as the HRA landlord, re the significant volume of “non-engagers” amongst those affected by under-occupancy. During this year approximately 1,200 households have not responded to previous efforts to assist them and the perception is that a sizeable number of these may have financial difficulties in addressing their rent obligations arising from the Welfare Reform changes in the current financial climate. Action - Targeting exercises (letter, visit, and/or telephone) to contact and assess the need within the “non-engagers” grouping.

4.3.2 As part of the management of the Benefit function discussions with the main Housing Associations (HAs) are undertaken regularly and these have included an overview of their position, and their tenants, in respect of any likelihood of a significant number of DHP applications being made in the future. Initial indications are that the HAs are not experiencing a significant impact on their tenants which would warrant signposting to DHP. Action - Assess individual applications as they present.

4.3.3 Ongoing review of existing benefit applications to highlight any that may warrant DHP support given their specific, individual circumstances. Action - Assess individual applications as they present.

5 Next Year

5.1 The autumn budget announcement indicated that the DWP will be increasing the funding available for DHP's in both 2014/15 and 2015/16 ensuring that the national pot for DHP will not be reduced for the next 2 years.

5.2 With the announcement from the DWP, as indicated in paragraph 2.2, that the Council has a base award of £692,677 there is a need to consider the Council's position in augmenting the allocation by the 2.5x multiplier in order to provide continuity to those households currently in receipt of DHP. The current awards are funded to the end of this year however if there is no commitment to augment the Council's DHP allocation then there would be a significant number of households that would not receive support during 2014/15. These households would need to be notified at the earliest opportunity to allow

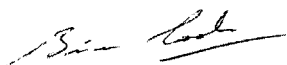
them to adjust to their reduced support and their consequential increase in their liabilities.

- 5.3 To apply the maximum additional support based on the 2.5 multiplier the Council would need to contribute £1,039,016 of funding for 2014/15. This would provide a DHP fund of £1,731,693.
- 5.4 The Scottish Government has indicated that its intention to provide LAs with the necessary resources in 2014/15 to address the burden of the Removal of the Spare Room Subsidy (RSRS – “the Bedroom Tax”). The Scottish Government has included in the financial settlement for 2014/15 funding amounting to £697,402 for NLC to contribute towards the Council funding the DHP to the maximum additional support based on the 2.5 multiplier. To reach the maximum additional support the Council would need to contribute £341,614 which could be drawn against the Council’s Welfare Reform funding.
- 5.5 With the approval of additional resources the Council would endeavor to extend the award of DHP to current recipients using the information available within the existing records (DHP application, Housing Benefit and DWP) to minimise the need for DHP recipients to reapply. This would ensure that the majority of households in receipt of support in 2013/14 would continue to receive support in 2014/15 assuming their circumstances remain unchanged.

6 Recommendation

The Committee is asked to

- 6.1 Approve the top-up of the DHP fund by £1,039,016 for 2014/15 using the funding from the Government and £341,614 from the Council’s welfare fund
- 6.2 Note the report



Head of Revenue Services

Members seeking further information on the contents of this report are asked to contact Brian Cook, Head of Revenue Services on 01698 403929

Appendix 1

Table 2

	Cumulative									
	April	May	June	July	August	September	October	November	December	January
Applications Received	1,588	2,194	2,306	2,759	3,131	3,589	3,950	4,270	4,526	5,028
Determinations	715	1,114	2,155	2,728	3,098	2,789	3,449	4,135	4,465	4,701
Awarded - High / Medium Priority	74	114	454	557	623	2,465	3,006	3,554	3,832	4,000
Refused - Low Priority	641	1,000	1,701	2,171	2,475	324	443	581	633	701
<i>Awarded as % of Determined</i>	<i>10.3%</i>	<i>10.2%</i>	<i>21.1%</i>	<i>20.4%</i>	<i>20.1%</i>	<i>88.4%</i>	<i>87.2%</i>	<i>85.9%</i>	<i>85.8%</i>	<i>85.1%</i>
DHP Paid	£6,707	£14,158	£58,474	£89,769	£130,108	£300,180	£371,524	£469,076	£805,157	£926,598

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Table 3

	In Month									
	April	May	June	July	August	September	October	November	December	January
Applications Received	1,588	606	112	453	372	458	361	320	256	502
Determinations	715	399	1,041	573	370	-309	660	686	330	236
Awarded - High / Medium Priority	74	40	340	103	66	1,842	541	548	278	168
Refused - Low Priority	641	359	701	470	304	-2,151	119	138	52	68
<i>Awarded as % of Determined</i>	<i>10.3%</i>	<i>10.0%</i>	<i>32.7%</i>	<i>18.0%</i>	<i>17.8%</i>	<i>-596.1%</i>	<i>82.0%</i>	<i>79.9%</i>	<i>84.2%</i>	<i>71.2%</i>
DHP Paid	£6,707	£7,451	£44,316	£31,295	£40,339	£170,072	£71,344	£97,552	£336,081	£121,441