

<b>SUBJECT:</b>	<b>DISCRETIONARY HOUSING PAYMENTS UPDATE</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE</b>
<b>REPORT AUTHOR:</b>	<b>CLAIRE MOSES, REVENUES AND BENEFITS MANAGER (SHARED SERVICE)</b>

## **1. Purpose of Report**

1.1 To update Joint Committee regarding Discretionary Housing Payments (DHP) expenditure for 2019/20.

## **2. Executive Summary**

2.1 Demand against 2019/20 DHP grants remains high. City of Lincoln have increased their budget by £27,000 and North Kesteven by £15,000 from existing cash-limited budgets, to help meet these increased demands. 2019/20 DHP central government grants for both City of Lincoln and North Kesteven have decreased from 2018/19, but demands are higher due to welfare reforms in this new financial year – for example, due to Universal Credit (UC).

2.2 The impact of UC in Lincoln and North Kesteven is constantly increasing, and will continue to do so as UC continues to be rolled out. The next stage of UC rollout is anticipated to begin in Summer 2020, with a managed migration process for all remaining legacy benefit customers.

## **3. Discretionary Housing Payments – Update**

3.1 The table below updates on DHP spend to the end of December 2019:

3.2

Local Authority	Total funding = Central Government DHP Grant 2019/20 + Additional funding	DHP net spend as at Q3 2019/20	DHP committed for 2019/20	DHP Total spend for 2019/20	% Grant spent	Unallocated DHP Grant And/or Unallocated additional funding
City of Lincoln	Total = £205,674 £178,674 + £27,000	£151,836	£38,318	£190,154	100%	£0  £15,520
North Kesteven	Total = £123,943 £113,943 + £10,000	£97,439	£23,954	£121,034	100%	£0  £2,909

3.3 The table below breaks down the number of DHP applications received and determined up to Q3 2019/20

DHP applications – Year 2019/20	City of Lincoln	North Kesteven
Total number awarded	477 <i>(December 2018/19 = 462)</i>	281 <i>(December 2018/19 = 269)</i>
No. awarded for Housing Benefit	289 <i>(December 2018/19 = 378)</i>	181 <i>(December 2018/19 = 240)</i>
No. of HB awards who are Local Authority tenants	Unknown	Unknown
No. awarded for Universal Credit	188 <i>(December 2018/19 = 84)</i>	100 <i>(December 2018/19 = 29)</i>
Average DHP award	£399 <i>(December 2018/19 = £381)</i>	£431 <i>(December 2018/19 = £389)</i>

- 3.4 The number of DHP applications for customers in receipt of Universal Credit has increased from 2018/19. This is indicative of the number of customers moving from legacy benefits to UC increasing throughout the year. Officers are also raising awareness of DHP, there is also a robust and consistent decision-making process in a highly-sensitive and complex area of administration.
- 3.5 National DHP funding is £139.5 million for 2019/20, which is part of an announced 5-year 'settlement' period of DHP funding to help local authorities manage the impact of Housing Benefit reforms. This comprises of funding for four separate areas of support, being; Core funding, Local Housing Allowance (LHA), Removal of the Spare Room Subsidy (RSRS) and Benefit Cap. The distribution of the DHP funding is based on the effect of each element on individual local authorities.

The table below shows the grant figures for City of Lincoln and North Kesteven, also showing recent previous year grants, for comparison purposes.

	City of Lincoln	North Kesteven	Comments
<b>2019/20</b>	£178,674	£113,943	Grant decreases: City of Lincoln £29,950 (14.4%) North Kesteven £12,750 (10.1%)
<b>2018/19</b>	£208,624	£126,693	Grant decreases: City of Lincoln £33,881 (13.9%) North Kesteven £14,279 (10.1%)
<b>2017/18</b>	£242,505	£140,972	Grant increases: City of Lincoln £68,830 (28.4%) North Kesteven £33,458 (23.7%)
<b>2016/17</b>	£173,675	£107,514	Grant increases: City of Lincoln £33,997 (24.3%), North Kesteven £7,537 (7.5%)
<b>2015/16</b>	£139,678	£99,977	Grant decreases: City of Lincoln £54,630 (28.1%), North Kesteven £7,388 (6.9%)
<b>2014/15</b>	£194,308	£107,365	Grant in/decreases: City of Lincoln £5,433 (-0.03%), North Kesteven £9,136 (+0.09%)
<b>2013/14</b>	£199,741	£98,229	Grant increased City of Lincoln £100,882 (102%) North Kesteven £55,640 (130.6%)  Further additional grants successfully bid for: £40,000 (City of Lincoln), £35,000 (North Kesteven)

<b>2012/13</b>	£98,865	£42,589	
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It is disappointing that the grants have decreased, as the demands on DHP requirements is continuing to increase.

- 3.6 An internal DHP working group continues to review DHP procedures with the aim of ensuring that those most in need of additional help with their housing costs receive appropriate support.

Each year, the DHP guidance is reviewed with recommendations made to Section 151 Officers of both City of Lincoln and North Kesteven for approval. Any changes proposed are with the aim to provide a positive impact in meeting local needs in relation to housing costs.

#### **4. Strategic Priorities**

- 4.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Two that have an impact on the Revenues and Benefits Service are:-

- Lincoln: “Let’s Reduce Inequality”.
- North Kesteven: “Our Community Our Economy”.

#### **5. Organisational Impacts**

- 5.1 Finance: Decrease in DHP grants from central government for 2019/20 – by £29,950 for City of Lincoln, by £12,750 for North Kesteven. Any expenditure above these grants is borne by the individual local authority. Any central government grant not spent must be returned by the local authority to DWP.

City of Lincoln have increased their budget by £27,000 and North Kesteven by £15,000 from existing cash-limited budgets, to help meet these increased demands.

Future welfare reform related financial implications beyond 2019/20, are currently unclear.

- 5.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.
- 5.3 Equality, Diversity & Human Rights: There are no direct Equality, Diversity or Human Rights implications arising from this report.

#### **6. Risk Implications**

- 6.1 Levels of central government DHP grants have an impact on individual households in terms of affording their housing costs.
- 6.2 Welfare reform changes will have impacts on households in the districts – regarding which the shared service will endeavour to proactively respond.

## 7. Recommendation

7.1 Members note the 2019/20 (as at December 2019) spend positions in relation to Discretionary Housing Payment expenditure, as well as Government Grant figures for DHP 2019/20.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** No

**How many appendices does the report contain?** None

**List of Background Papers:** None

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