



ARTICLE NO: 2C

**CORPORATE & ENVIRONMENTAL
OVERVIEW & SCRUTINY
COMMITTEE**

**MEMBERS UPDATE 2013/14
Issue: 1**

Article of: Managing Director (Transformation)

Relevant Managing Director: Managing Director (Transformation)

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SUBJECT: DISCRETIONARY HOUSING PAYMENTS

Wards affected: Borough wide

1.0 PURPOSE OF ARTICLE

- 1.1 To advise Members of the guidance which Officers consider in awarding Discretionary Housing Payments.
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2.0 BACKGROUND

- 2.1 The background to this article is that the Government, as part of the Welfare Reform Programme, have instituted changes to the Housing Benefit System and have, in the Social Housing Sector, brought in regulations regarding size criteria from 1st April 2013.

3.0 CURRENT POSITION

- 3.1 These changes in Housing Benefit affect Social Housing Tenants of working age, who are in receipt of Housing Benefit and who are occupying property which is deemed too extensive for their needs. Those Tenants who have 1 surplus bedroom will see a reduction in their Housing Benefit of 14%, and those Tenants that have 2 or more surplus bedrooms will have their Benefit reduced by 25%. (Separate size criteria arrangements are in place for tenants in receipt of rent allowance in the privately rented sector).

- 3.2 The Government has a scheme known as Discretionary Housing Payments (DHP), which allows Local Councils to provide assistance to tenants where there is a shortfall between the level of Housing Benefit (or rent allowance) and the amount of rent charged. The Council has operated a DHP scheme for a number of years.
- 3.3 The Government awarded West Lancashire Borough Council £158,909 in 2013/14 to help claimants who were affected by these changes, an increase of £91,260 from the previous year. The general guidance used by WLBC for assessing and making payments have recently been reviewed and amended under delegated authority, to take into account the recent changes to Housing Benefit which will affect Social Housing Tenants and also Tenants renting in the Private Sector who receive rent allowance. The revised WLBC guidance is set out in Appendix A to this report, and reflects Department of Work and Pensions Guidance on this matter.

4.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 4.1 Tenants who are affected by these changes will have choices regarding what they decide to do. Tenants have been visited and some Tenants have indicated that they wish to remain in their current accommodation and will pay the additional charge. Some Tenants have indicated that they do not feel that they could afford to stay in their current accommodation and have pursued a preference to move to smaller accommodation of which the rent would be covered by Housing Benefit. Some Tenants have indicated that they will find employment and not remain on Welfare Benefit. Some are considering allowing a lodger to stay in their home as a way of raising money to afford the charges.
- 4.2 At this stage, it is difficult to assess fully what the impact will be from a sustainability perspective. If Tenants do not pay the additional charges and wilfully refuse to pay, there could be an implication for them in terms of facing eviction.

5.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 5.1 The Government have given the Council a grant of £158,909 to provide DHP. The payments will be made in accordance with, and within this budget.

6.0 RISK ASSESSMENT

- 6.1 This item is for information only and makes no recommendations. It therefore does not require a formal risk assessment and no changes have been made to risk registers as a result of this article.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Article.

Equality Impact Assessment

This article is for information only and does not have any direct impact on members of the public, employees, elected members and/ or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix A - Discretionary Housing Payments: General Guidance