



Revenues and Benefits Resources

To: Scrutiny Board 1

Date: 22nd July 2015

From

Tim Savill

Telephone 024 76 832607

Tim.savill@coventry.gov.uk

Subject: Discretionary Housing Payments

Discretionary Housing Payments 2015/2016

Background

Discretionary Housing Payments (DHP) are used to help people who are experiencing difficult circumstances with their housing costs. Where people do not have the financial means to remain in, or secure a tenancy, they can apply for a DHP for short term help.

The DHP policy was approved by Cabinet in March 2013. The Welfare Reforms, introduced from April 2013 resulted in considerable demands on this area of work.

In 2014/15, we received a budget of £811,865 from the Department for Works and Pensions (DWP) and this was all awarded. Coventry is among 37% of councils which spends their full DHP allocation (based on latest DWP data available in 2013/14).

For the current financial year the DHP funding was reduced to £619,313. DWP have advised that this was mainly as a result of lower numbers of people affected by the welfare reforms than originally estimated.

Current Position Quarter 1 April 2015 – June 2015.

For quarter 1 (April – June) our overall Housing Benefit caseload reduced by 2,056, compared to same period last year and we have also experienced a reduction in DHP applications.

The table below shows the comparisons between the number of applications received and awarded for this period and the current financial position.

	Q1 2014/2015	Q1 2015/2016
Housing Benefit caseload(end of June)	39,254	37,198
DHP Budget allocated for year	£811,865	£619,313
Number of DHP applications received 1st quarter	1046	441
Number of DHP applications awarded 1 st quarter	170	112
Amount awarded in 1 st quarter	£187,913	£160,895

We received 58% less applications for help than for the same period last year and therefore the number of successful applications has reduced. The amount awarded has also reduced by £27,000.

Successful applications for help due to under occupancy (as a result of the removal of the 'spare room subsidy') have reduced from 72 to 41. We have also seen a reduction in applications for on-going weekly shortfalls in rent.

The table below shows this in more detail for the first quarter of the last two years:

	2014/2015 No of awards	2015/2016 No of awards
Benefit Cap	2	1
Spare Room Subsidy	72	41
LHA Restrictions	12	12
General shortfall, arrears, bonds	84	58

There has been an increase in applications for help with rent arrears. We have worked closely with Registered Social Landlords and encouraged applications for help at an early stage. This helps to limit those considered for potential eviction action.

Due to the nature of season fluctuations and short awards, it is difficult to provide a financial profile but the average weekly spend needs to be kept around £12,000 to remain in budget. For the first quarter we are averaging about £11,500 per week. We are therefore on target to maximise the support from the budget of £619,313.

Tim Savill
Head of Benefits