

EAST RENFREWSHIRE COUNCIL

CABINET

25 JUNE 2015

Report by Deputy Chief Executive

DISCRETIONARY HOUSING PAYMENTS

PURPOSE OF REPORT

1. The report provides an update on arrangements to provide mitigation to residents who have been affected by Housing Benefit changes through Discretionary Housing Payments. Such arrangements will include social sector tenants who have been impacted by under occupancy charges.

RECOMMENDATION

2. The Cabinet notes the report's contents and approves a drawdown from the Welfare Reform Contingency Fund to meet any shortfall in funding required to fully mitigate the impact of under occupancy charges experienced by East Renfrewshire social sector tenants.

REPORT

3. Last financial year ERC awarded Discretionary Housing Payments totalling £258,358 of which £233,745 was in respect of under occupancy charges and £24,613 was for other HB changes. The Council was able to achieve this because of funding received from both Department for Works and Pensions and Scottish Government.

4. In the current year DWP has reduced the funding it provides for DHPs by £23,358 whilst Scottish Government has increased funding by £1,934. The net affect of these changes is that funding has decreased by around £20,000 whilst the case load requiring assistance through DHPs has not changed.

5. Benefits staff are forecasting an over spend of at least £20k in the current year. The Council Housing Service and some Registered Social Landlords have recommenced allocation of properties to tenants who would be in under occupancy situations and therefore the funding gap is likely to get worse since more DHPs will be required to allow the Council to continue to fully mitigate the resulting under occupancy charges.

OPTIONS FOR CONSIDERATION

6. The Council can lobby Scottish Government and DWP to provide additional funding to allow it to fully mitigate under occupancy charges.

7. The Council can advise Housing providers that it may not be possible to fully mitigate the affects of under occupancy charges and that it may not be possible to automatically award DHPs for new tenancies.

8. The Cabinet can approve a drawdown from the Welfare Reform Contingency sum to allow continued full mitigation of under occupancy charges.

CONCLUSION

9. At least one other Council has already raised this issue with Scottish Government and COSLA and it would be appropriate for ERC to support this approach by making its own representations.

10. In setting the 2015/16 budget Council agreed to set aside a Welfare Reform Contingency Fund to support residents who have been adversely affected by changes to DWP and Housing benefits. Providing mitigation through Discretionary Housing Payments would appear to be an appropriate use of this fund.

RECOMMENDATION

11. The Cabinet notes the report's contents and approves a drawdown from the Welfare Reform Contingency Fund to meet any shortfall in funding required to fully mitigate the impact of under occupancy charges experienced by East Renfrewshire social sector tenants.

Caroline Innes, Deputy Chief Executive, Director of Corporate and Community Services.

Further information is available from D Miller, Head of Revenue Services, telephone 0141 577 3203.

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