

Title of meeting: HOUSING CABINET

Date of meeting: 9th July 2013

Subject: Housing Hardship Fund

Report by: Head of Housing and Property Services

Wards affected: All Wards having Local Authority Housing

Key decision: No

Full Council decision: No

1. Purpose of report;

- 1.1 To advise the Cabinet member of actions to provide support for some tenants who fall within the governments assessment of 'under occupying' their properties but who may have been 'adequately housed' at the time of allocating and might no longer be able to access discretionary Housing benefit.

2. Recommendations

- 2.1 That the Cabinet Member for Housing delegates authority to Head of Housing and Property Services in consultation with Head of Finance and S151 Officer to develop a scheme that will enable the HRA to offer financial assistance for those council tenants affected by welfare reform, and for whom available DHP is considered insufficient, totalling no more than £40,000 in 2013/14 and for future provision to be set as part of the on-going annual HRA budget setting process.

3. Background

- 3.1 The Government's welfare reform introduced a standard size of property depending on household criteria and reduced Housing Benefit for tenants who were thought to have a spare room. The Governments definition of property sizes was not flexible to take into account personal circumstances but Local authorities were given additional money to give 'discretionary housing benefit' (DHP) in certain cases. Discretionary housing benefit is normally a temporary measure to allow the tenants to take action to resolve matters (eg by moving or budgeting for the increase in rent)

4. Reasons for recommendations

- 4.1 There are number of households where it may not be in the tenants best interest to move and where some additional support should be given in the event of DHP being exhausted - examples being
- (i) Vulnerable persons, perhaps two people living in a two bedroomed property but are prevented from living in a one bedroomed property due to a recognised medical reason or where moving to another property would create further problems eg mental illness or removal from local support network)
 - (ii) Families with young children - that the government say should share a bedroom but if they move to smaller properties now, they may be overcrowded in 5 years. Two moves in 5 years would not create a sustainable community and increase costs on the HRA. Families with young children with behavioural difficulties may be also affected and require support if the DHP is not available.
- 4.2 It is proposed that the administration of the Hardship fund would be by way of a credit to the rent account by Area Housing Managers and subject to Audit scrutiny. It would only apply where tenants were in receipt of or entitled to Housing Benefit and DHP had been paid.
- 4.4 The Housing Officer will established the income and expenditure of the family was such that they could not otherwise afford to pay the under occupation charge. Housing Officers will refer the cases to the Area Manager who will authorise (or decline) the credit to the rent account.
- 4.5 There are currently 1,400 tenants subject to the reduction in Housing Benefit because they are thought to have a spare room but around 40-80 households may be helped by a hardship fund when DHP funds run out.
- 4.6 It should be noted that the hardship fund would not normally be used to pay for unused bedrooms and tenants with a 25% reduction in Housing Benefit because they are under occupying 2 or more bedrooms will not qualify for hardship assistance. The support in these cases will be towards moving, budgeting or finding work.
- 4.7 Other Options considered and rejected were
- a) To do nothing. The risk was to force people to move, only to have to move again in years to come or to worsen their housing circumstances.
 - b) To pay all the under occupation charges, this would cost the Housing service £1.5million and not make best use of the councils stock

4.9 The Residents Consortium have been briefed on the proposal at their meeting on 4th April 2013. The issues were discussed and the proposal was approved and minuted.

4.10 The proposal meets the Corporate Priorities of

- Protect and support our most vulnerable residents

5. Equality impact assessment (EIA)

5.1 This proposal will impact positively on tenants and it is not felt a full EIA is required. The welfare reform does not affect households of pensionable age.

6. Legal Implications

6.1 The Cabinet Member should note that where a local housing authority wishes to make discretionary payments available to its own tenants through the housing revenue account, the authority should apply in writing and request that DCLG issues a Direction giving consent to these payments to ensure there is no breach of the legislation underpinning the operation of the housing revenue account. This should be noted by officers, who will need to take additional legal advice on the scheme that they develop.

6.2 The Cabinet Member has the authority to approve the recommendation proposed.

7. Finance Comments

7.1 The Department for Work and Pension (DWP)'s annual funding for DHP is aimed at helping Local Authorities manage the impact of the Housing Benefit (HB) reforms announced in the June 2010 budget and temporarily assist its residents facing potential financial hardship, as a result of the reforms.

7.2 The total Government contribution in 2013/14 for Discretionary Housing Payments totals £472,895.

7.3 This report seeks to delegate authority to the Head of Housing and Property Services in consultation with Head of Finance and Section 151 Officer to develop a scheme that will enable the HRA to offer financial assistance to those council tenants affected by welfare reform in lieu of DHP being available.

7.4 The anticipated cost of offering this financial assistance to Portsmouth's HRA tenants is anticipated to total £40,000 in 2013/14. This will be funded from within the existing budget, as approved by the Cabinet Member for Housing on 29th January 2013. The status of fund will be monitored on a monthly basis as part of the overall budget monitoring process.

7.5 Any future provision for ongoing financial support from 2014/15 onwards will be set in accordance with the annual budget and rent setting process.

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Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: