



Title: Comparison of Expenditure on Discretionary Housing Payments in 2014/15

Report of: Director of Customers and Communities

Purpose of Report

1. To inform the Board of take-up of Discretionary Housing Payments in Gateshead in 2014/15 compared to other local authority areas.

Background

2. Discretionary Housing Payments (DHPs) were first introduced in 2001 to support Housing Benefit claimants in need of additional financial assistance. Sums are allocated to each local authority for them to administer across all rented housing sectors. Applications are not guaranteed to be successful, and are generally paid for a fixed period before being reviewed.
3. Funding was relatively low (around £20 million per annum nationally) until 2011 when allocated sums for local authorities began to rise. In 2014/15 £165 million was allocated by central government to local authorities. Local authorities can top-up DHP funding with permission from central government.
4. In 2014/15, the Scottish Government made an extra £35 million available to fund DHPs above the £15.2 million contribution from central government. This increased the total funding for Scottish local authorities to £50.2 million. The additional funding from the Scottish Government was made available with the explicit intention of being used to fully mitigate the “removal of the spare room subsidy” policy.

DHPs in Gateshead

5. In Gateshead, following a report to cabinet in December 2013, and due to a greatly increased number of applications from tenants, approval was sought and permission received to contribute additional funding from the Housing Revenue Account (HRA) in both 2013/14 and 2014/15.
 - In 2013/14 a central government contribution of £558,000 was topped up late in the year by £36,000 from HRA.
 - In 2014/15 a central government contribution of £438,000 was identified at an early stage to be insufficient and topped up by £381,000 from HRA.
6. The contribution from central government may be administered by the council to respond to applications from council tenants as well as tenants of other social

landlords, and tenants of private landlords. The sum from HRA may only be used for applications from council tenants.

7. The contribution from central government for 2015/16 is £426,183. With existing levels of take-up it is very likely that the top-up will be required again.

National Comparisons

8. The Department of Work and Pensions has released data on DHP expenditure in 2014/15 for 378 (out of 380) local authorities. A copy of the report and a table of the underlying data are available on the Board Members' website.
9. The appendix to this report contains an extract from the DWP report and shows that Gateshead is included in the highest band of authorities in terms of DHP expenditure compared to original allocation (150%+ band). The expenditure in Gateshead was 187% of the original allocation. In England and Wales, this makes us the second highest authority, behind Stratford-on-Avon (225%).
10. The ratios in Scotland are higher due to the additional funding provided by the Scottish government.

Links to Values

11. This report links to the values around being open and honest, and accountable.

Impact on tenants

12. Tenants have been more able to sustain tenancies with the help of DHPs .

Risk Management

13. The report relates to the strategic risk around the adverse impact of welfare reform.

Health Implications

14. There are no health implications directly associated with this report

Financial Implications

15. Gateshead Council's cabinet approved a report in December 2013 to provide £500k per annum from 2014/15 onwards from the HRA to assist Council tenants.

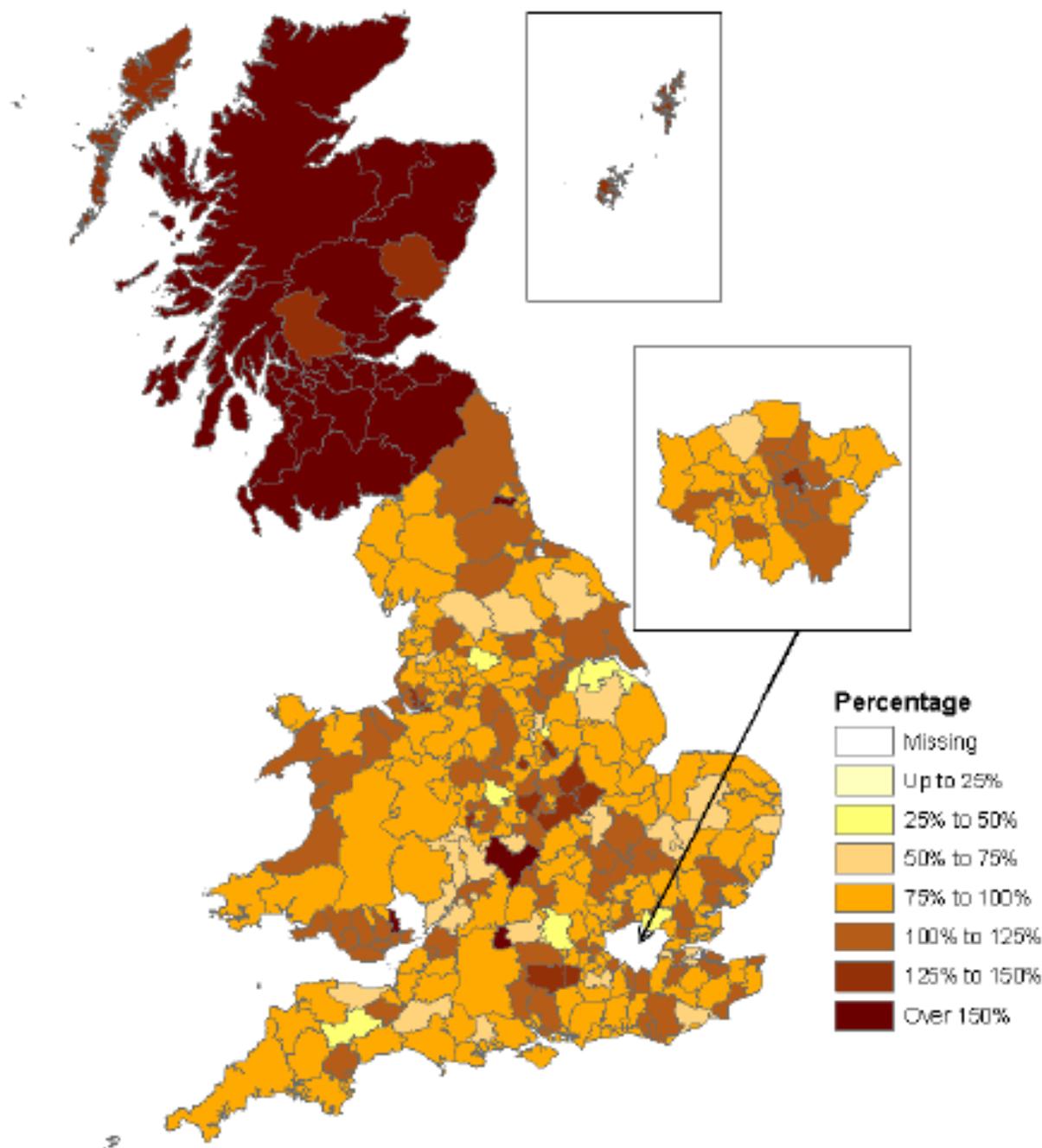
Value for Money Implications

16. Whilst the provision of additional DHP funding has meant expenditure from the HRA, it has mitigated against a higher degree of impact on rent arrears, vacant property rent loss and relet costs.

Recommendation

17. Board are requested to note the comparative information on DHPs, and can access the full DWP report via the Board Members' website.

Chart 1: Local Authorities in Great Britain: Percentage of central government DHP allocation spent.
 April 2014 - March 2015



Source: DHP financial returns for the period April 2014 to March 2015.

Notes:

- Gateshead: Original allocation £438,929; Total spend £820,314 (187%)
- (Of which, expenditure on council tenants: £599,600)
- G.B. (including Scotland): average spend = 121%
- Excluding Scotland: average spend = 100%
- Scotland: average spend = 331%