1 Purpose of Report

1.1 To consider the creation of a temporary post in the Revenues and Benefits Section to deal with applications for Discretionary Housing Payments and second stage appeals for Housing Benefits and the Council Tax Reduction Scheme.

2 Recommendations:

The Executive:

1. Approve the creation of a shared temporary post to handle Discretionary Housing Payments and Housing Benefit and Council Tax Reduction Scheme Appeals.

2. Agree a supplementary estimate of £6,725.

3. Approve the making of a formal agreement with South Lakeland District Council relating to the proposed shared temporary post, with this Council being the employer on terms to be agreed.

3 Discretionary Housing Payments

3.1 Each year the Council receives Government funding to make Discretionary Housing Payments (DHP) to ‘top up’ Housing Benefit payments where a tenant is experiencing financial difficulties because of a shortfall between the rent they pay and the Housing Benefit they receive. These payments are intended to provide temporary financial assistance whilst a tenant seeks suitable alternative accommodation or makes changes to their financial situation.

3.2 In 2012-2013 the Council received DHP funding of £16,000. The implementation of various welfare reforms from 2013-2014 onwards resulted in the amount of DHP funding to councils being increased to lessen the impact of the changes on those most severely affected. Eden receives additional funding specifically aimed at helping the 21 least densely populated areas in Great Britain. This funding is to avoid a disproportionate impact on those affected by the removal of the spare room subsidy in remote and isolated communities. Because of the geography, the potential remedies, such as work, alternative accommodation, and so on, are less readily available. This means the DHP funding available to Eden is significantly higher: in 2016-2017 the amount will be £165,000. The number of awards of DHP has increased from 30 in 2012-2013 to 280 in 2014-2015. It should be noted that the funding for DHPs is only made one year at a time and the Council only knows the level of funding close to the start of the financial year. The 2016-2017 award was only known in February.
3.3 The DHP ‘pot’ has to be managed carefully to ensure that there is funding available throughout the year. Awards are generally made for 13 weeks at a time and the applicant's circumstances are reviewed at the end of each award before a new award is made. Awards can also be made to assist applicants with removal costs or rent in advance if they secure accommodation more suitable for their needs. Applications for DHP are considered in line with an agreed set of guidelines. Unlike Housing Benefit calculations, the applicant's expenditure as well as income is taken into account. The personal circumstances of the applicant and their ability to make changes are also considered.

3.4 DHP makes a huge difference to people on low incomes struggling to meet their housing costs. The applications need to be determined in a timely manner to alleviate financial hardship. As the amount of DHP funding from year to year is not guaranteed, this work has to date been carried out using agency staff funded by grants. However, the majority of these grants are no longer available. The Benefits Team do not have the capacity within existing staffing levels to take on this additional work.

4 Housing Benefit and Council Tax Reduction Scheme Appeals

4.1 People in receipt of Housing Benefit and Council Tax Reduction (CTR) have a right of appeal. The first stage is to ask for a reconsideration of the decision by the Council. This will be carried out by the Benefits Team Leader. If the customer is not satisfied, the second stage is to request a hearing at an independent tribunal. The Council will review the decision and, if it decides that the decision is correct, a statement will be prepared and submitted to the tribunal. If the hearing is an oral hearing the Council will need to attend the hearing.

4.2 The Council uses the services of an external organisation to handle the second stage of the appeals process. However, this arrangement has not always worked as well as it might. This is largely due to the lack of regular contact between the organisation and the Council because of the irregular nature of the work. There are very few cases that progress to the second stage and the budget for this work is £3,000 per annum. It is considered that there would be better outcomes if this work was handled by an officer with regular contact with the Benefits Team.

5 Proposal

5.1 South Lakeland District Council (SLDC) has a long-standing Revenues and Benefits relationship with the Council. Three senior posts are shared between the two councils. SLDC also use external providers to assess DHP applications and handle second stage appeals and are in a similar position to Eden. It is proposed that a temporary shared post is created to handle DHP claims and second stage Housing Benefit and CTR appeals. This would include preparing the statement for the tribunal and, where necessary, representing the councils at the tribunal. The post would be for one year initially and the need for the post would be reviewed each year when the level of DHP funding was released. This Council would be the employing Council.

Whilst the costs would normally be split 50/50 between the two councils, there would be the flexibility to adjust this if, for example, either council had a complex appeal.
5.2 The cost of the post is estimated to be £30,250 including on-costs. As this will be advertised initially for one year, it is not subject to Job Evaluation and has been graded at Grade G. This will be subject to Job Evaluation if the post is required for more than two years. With SLDC paying 50%, this leaves £15,125 to be met by Eden. There is a small administration subsidy payable in respect of DHP. The figure for 2016-2017 had not been announced at the time this report was prepared, but it is estimated it will be no more than £5,400. There is £3,000 in existing budgets for the second stage appeals, leaving the net cost to Eden at £6,725.

6 Policy Framework

6.1 The Council has four corporate priorities which are:

- Decent Homes for All
- Strong Economy, Rich Environment
- Thriving Communities
- Quality Council

6.2 This report meets the 'Quality Council' corporate priority.

7 Implications

7.1 Legal

7.1.1 The legislation covering the areas in this report is:

- Discretionary Financial Assistance Regulations 2001
- Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001
- Local Government Finance Act 1992

7.1.2 Eden and South Lakeland will need to draw up a formal agreement to cover the terms of the sharing arrangements.

7.2 Financial

7.2.1 Any decision to reduce or increase resources must be made within the context of the Council’s stated priorities, as set out in its Council Plan 2015-19 as agreed at Council on 17 September 2015.

7.2.2 The proposal in this report would increase the salary budget by an estimated £6,725. This is necessary to ensure the Council is able to administer DHP in an equitable and timely manner.

7.3 Equality and Diversity

7.3.1 The Council has to have regard to the elimination of unlawful discrimination and harassment and the promotion of equality under the Equality Act 2010 and related statutes.

7.3.2 There are no implications.
7.4 Environmental

7.4.1 The Council has to have due regard to conserving bio-diversity under the Natural Environment and Rural Communities Act 2006

7.4.2 There are no implications.

7.5 Crime and Disorder

7.5.1 Under the Crime and Disorder Act 1998 the Council has to have regard to the need to reduce crime and disorder in exercising any of its functions.

7.5.2 There are no implications.

7.6 Children

7.6.1 Under the Children Act 2004 the Council has to have regard to the need to safeguard and promote the welfare of children in the exercise of any of its functions.

7.6.2 DHP allow vulnerable families to remain in accommodation suitable for their needs.

7.7 Risk Management

7.7.1 Risk Management is a process whereby attempts are made to identify, actively control and reduce risk to protect the council. This covers not only the traditional areas of insurable risk but also the organisational risk that the council faces in undertaking all its activities.

7.7.2 Without the resources to determine DHP applications in a timely manner, there is a risk tenants could become homeless.

7.7.3 The Council needs to comply with statutory timescales in relation to Housing Benefit appeals and, without this additional resource, there is a risk that the timescales may not be met.

8 Reasons for Recommendations

8.1 To ensure the Council can continue to provide DHP to those in need and to maintain compliance with statutory requirements for Housing Benefit appeals.

David Rawsthorn  
Director of Finance

Governance Checks:

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Background Papers:

None

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