



WOKINGHAM BOROUGH COUNCIL

A Meeting of an **INDIVIDUAL EXECUTIVE MEMBER DECISION** will be held in LGF4 - Civic Offices on **THURSDAY 14 JUNE 2018 AT 4.00 PM**

A handwritten signature in black ink, appearing to read 'Manjeet Gill', is written over a light blue rectangular background.

Manjeet Gill
Interim Chief Executive
Published on 6 June 2018

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WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, an even better place to do business

Our Priorities

Improve educational attainment and focus on every child achieving their potential

Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth

Ensure strong sustainable communities that are vibrant and supported by well designed development

Tackle traffic congestion in specific areas of the Borough

Improve the customer experience when accessing Council services

The Underpinning Principles

Offer excellent value for your Council Tax

Provide affordable homes

Look after the vulnerable

Improve health, wellbeing and quality of life

Maintain and improve the waste collection, recycling and fuel efficiency

Deliver quality in all that we do

For consideration by

Julian McGhee-Sumner, Executive Member for Finance and Corporate Resources

Officers Present

Andrew Kupusarevic, Interim Service Manager – Financial Assessments

Callum Wernham, Democratic & Electoral Services Specialist

IMD NO.	WARD	SUBJECT	
IMD 2018/24	None Specific	DISCRETIONARY HOUSING PAYMENT POLICY 2018/2019	5 - 20

CONTACT OFFICER

Callum Wernham

Tel

Email

Postal Address

Democratic & Electoral Services Specialist

0118 974 6059

callum.wernham@wokingham.gov.uk

Civic Offices, Shute End, Wokingham, RG40 1BN

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Agenda Item IMD24

INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD: 2018/24

TITLE	Discretionary Housing Payment Policy 2018 / 2019
DECISION TO BE MADE BY	Executive Member for Finance and Corporate Resources – Julian McGhee-Sumner
DATE, MEETING ROOM and TIME	14 June 2018 LG F4 16.00
WARD	None Specific;
DIRECTOR	Director of Corporate Services - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

In July 2001 Local Authorities were granted new powers under the Financial Assistance Regulations 2001 to make discretionary payments in respect of Housing Rent and Council Tax liabilities, known as Discretionary Housing Payments (DHP). This was aimed to be short term support for those on Housing Benefit and Council Tax Benefit to assist with rental and council tax liabilities.

Due to abolition of Council Tax Benefit from 1st April 2013, help with council tax liabilities can no longer be claimed.

DHP are not payments of benefit and are outside of the Housing Benefit Regulations.

Under amendments to the Financial Assistance Regulations April 2013, DHP can be paid to cover other housing costs in addition to rent commitments. Expenditure falls within 4 broad areas:

- Local Housing Allowance Changes;
- Benefit Cap;
- Under Occupancy;
- General DHP awards.

The scheme is funded by the Government and the Council may top this up by two and a half times the government contribution from its own funds. Wokingham Borough Council was awarded £196,279 for 2017/18 but this has decreased to £177,229 for 2018/2019 due to further government restrictions. The Council has at this time reserved a fund of £20,000, should additional need arise.

How the DHP Policy may be written or operated has not been defined by DWP. It is a matter entirely for each local authority to compile their own scheme reflecting local needs and priorities. However there is a document produced by the DWP called "Discretionary Housing Payments Guidance Manual" December 2016, to assist LA's in the administration of any scheme. Generally calls on this fund represent "exceptional situations" for each applicant. Support through this scheme remains likely to meet short term assistance to claimants to meet rental costs or assistance in obtaining housing.

Although seen likely as being short term in nature, the proposed scheme is flexible enough to continue support in appropriate cases, for longer periods to potentially enable more permanent solutions to be found and implemented.

A revised DHP policy was previously approved from 22nd April 2016. This has been subject to review and some small revisions made to update relevant financial information and other minimal changes. There have been no fundamental changes to the criteria for award or the process itself. The updated scheme would apply from April 2018 and is now proposed for approval.

RECOMMENDATION

That the Executive Member for Finance and Corporate Resources approve the draft policy amendments to be implemented from April 2018.

SUMMARY OF REPORT

Wokingham Borough Council considers that it is in the best interests of the community to run a DHP Policy utilising the funding provided by the Department for Work & Pensions (DWP). Amendments to the existing scheme are proposed to reflect changes to legislation and funding. There are no substantive changes proposed and on the whole the scheme itself remains the same but with the introduction of conditionality to awards and flexibility to pay higher than the assessed weekly excess income to overcome short term issues. Other amendments include funding data and role titles.

This updated scheme will be continued to be known as the Discretionary Housing Payments scheme.

The responsibility for DHP is contained within the portfolio of the Executive Member for Finance. It falls under the provisions of an Individual Executive Member Decision for the proposed revised Policy to be adopted.

Background

In developing this Policy, account has been taken of other forms of statutory and discretionary financial assistance that are available across the Council. These include:

- Local Welfare Provision;
- Rent Deposits & Rent in Advance (available through Housing Needs)

Normal practice for payments made under the scheme will be for the sums awarded to be paid either with current housing benefit using the current methods of payment, direct to the landlord or in the most appropriate way for assistance with moving costs or claimants in receipt of Universal Credit. Only in exceptional circumstance are payments made direct to claimants.

In developing the initial Policy in 13/14 an extensive consultation was undertaken involving the Corporate Leadership Team and many internal Departments/Services. External agencies such as welfare rights advisors (e.g. CAB; Reading Welfare Rights), support agencies (e.g. Age UK; Transform) as well as service providers (e.g. Job Centre Plus; Food Banks) were also consulted. All comments received were taken in to account. A full Equality Impact Assessment was completed at the time of the original approval in April 2013. This assessment is not affected by these proposed changes.

Other changes were made in 14/15 to reflect feedback received from other services.

Further consultation was held with Housing Needs Team, Tenant Services, Income & Payments, Housing Solutions and Transform in connection with 15/16 changes, as the main proposal was to stop assisting with rental arrears. All were given the opportunity to comment on this change and included if appropriate. For information the paying of arrears was something that Wokingham Borough Council decided to do when the grant was higher, not something that is recommended in the DWP Best Practice Guide.

As the changes to this year's scheme have no impact on the claim process, award criteria or general administration of the scheme no further consultation has been sought.

DHPs continue to be administered within the Assessments Service of Finance. It therefore sits alongside the administration and determination of similar financially based claims for housing costs support (rent and council tax), as well as wider welfare benefits advice and Local Welfare Provision support. Therefore, the Service can determine whether there is any likely other funding that a claimant may access as an alternative source of assistance.

Existing funding streams already available locally have been identified and where appropriate claimants will continue to be signposted to other forms of financial assistance, local or national, if that is deemed more suitable for their needs, This should help maximise the effectiveness and impact of DHP scheme.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	The Council will receive £177,229 in government funding to cover the cost of awards made for 18/19. The council have also reserved £20,000 additional fund should the need arise.	Yes. No further awards will be made if funding is exhausted in year	
Next Financial Year (Year 2)	Not yet known	DWP advises LA's of grant amount in the January/February prior to the start of each financial year	
Following Financial Year (Year 3)	Not yet known	DWP advises LA's of grant amount in the January/February prior to the start of each financial year	

Other financial information relevant to the Recommendation/Decision

The Council was previously awarded a small administration grant towards the running of this scheme and it is expected that this contribution will be awarded again. All applicants must be entitled to Housing Benefit or the Housing element of Universal Credit in order to qualify for a Discretionary Housing Payment. Administration is undertaken by the Customer Welfare Team in order to minimise any cost implications to the Council. This team have successfully carried out the assessment of claims and monitoring of spend since 13/14.

Cross-Council Implications

During the initial development of this Policy, other Council service areas were consulted to ensure that this scheme was complimentary to but did not overlap with any similar provision in those service areas. The suggested amendments outlined above do not change that position.

Provision of a revised Policy to use the specific funding provided by Government for its

intended purpose is seen as a way to maximise support for the most vulnerable residents in the borough. This should help mitigate or reduce calls for other statutory support services via the Council which may otherwise result in higher costs being faced.

SUMMARY OF CONSULTATION RESPONSES	
Director – Corporate Services	No major changes to policy that required consultation. Changes include updating of financial years, finances/funding Director and Head of Service have reviewed policy changes and had the opportunity to comment on.
Monitoring Officer	No comments received
Leader of the Council	No comments received

List of Background Papers
DWP DHP Guidance Manual Updated March 2018; DWP Circular S1/2018; Revised WBC DHP Policy; EIA;

Contact Andrew Kupusarevic	Service Business Services
Telephone No Tel: 0118 974 6803	Email andrew.kupusarevic@wokingham.gov.uk

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WOKINGHAM BOROUGH COUNCIL

DISCRETIONARY HOUSING PAYMENTS POLICY 2018 - 2019

Version Control

Version	Date	Author	Comments
1	13 December 2012	Nicky Thomas Mark Redfearn	First Full Draft
	25 th February 2013	Nicky Thomas	Final
Final	22 nd March 2013		Agreed by Anthony Pollock
2	16 th October 2013	Nicky Thomas	Revisions draft
3	18 th February 2014	Nicky Thomas / Kevin Mercer	
2 nd Final	29 th August 2014		Agreed by Anthony Pollock
4	19 th February 2015	Nicky Thomas Barbara Blake	Revisions draft
Final	24 th April 2015		Agreed by Anthony Pollock
5	24 th February 2016	Nicky Thomas Barbara Blake	Revision Draft
Final	22 nd April 2016	Nicky Thomas Barbara Blake	Agreed by Anthony Pollock
6	13 th January 2017	Nicky Thomas Barbara Blake	Revision Draft
7	3 rd August 2017	Nicky Thomas Barbara Blake	Agreed by Oliver Whittle
8	9 th March 2018	Barbara Blake	
9	16 th March 2018	Andrew Kupusarevic	Final version submitted
10	29 th March 2018	Andrew Kupusarevic	Final version – signed off via delegated powers

Discretionary Housing Payments

1. Introduction

National Picture

In July 2001 Local Authorities were granted new powers under the Financial Assistance Regulations 2001 to make discretionary payments in respect of Housing Rent and Council Tax liabilities, known as Discretionary Housing Payments (DHP).

Due to the abolition of Council Tax Benefit from 1st April 2013, help with council tax liabilities can no longer be claimed under DHP.

Under the Universal Credit (Consequential Amendments) Regulations 2013, further amendments have been made to allow someone in receipt of Universal Credit, with a rental liability, to claim a DHP.

DHPs are not payments of benefit and are outside of the Housing Benefit and Universal Credit Regulations. We operate our scheme within guidance issued by Department for Works and Pensions (DWP) for best practice.

Under amendments to the Financial Assistance Regulations, from April 2013 Discretionary Housing Payments can be paid to cover other housing costs in addition to rent commitments. Expenditure is expected to fall within 4 broad areas:

- Local Housing Allowance Changes
- Benefit Cap
- Under Occupancy
- General DHP awards

The scheme is funded by the Government and the Council may top this up by two and a half times the government contribution from its own funds. Wokingham Borough Council has been awarded £177,229 in government funding for 2018/19 compared to £196,279 for 2017/18. The Council does not normally intend to make any top ups from its own budgets although may consider if it is appropriate. However, for 18/19, the council has reserved an amount of £20,000 from its own funds, should additional spend be required.

This policy has been designed with consideration of The Human Rights Act 1998 and The Equality Act 2010.

Local Picture

Since 2013, Wokingham Borough Council (the Council) expanded the scheme to cover rent deposits, rent in advance and moving costs in addition to or instead of only allowing a time limited payment of rent in exceptional circumstances. This enables the Council to assist claimants with real solutions to ongoing financial hardship.

In addition to general DHP funding, further additional funding has been and continues to be provided by Department for Works and Pensions to assist hardship arising from Welfare Reform including:

- Reductions in Housing Benefit or Universal Credit where the benefit cap has been applied;
- Reductions in Housing Benefit or Universal Credit for under occupation in the social rented sector;
- Reductions in Housing Benefit or Universal Credit as a result of local housing allowance restrictions;
- Rent shortfall to prevent a household becoming homeless whilst the housing authority explores alternative options;
- Rent officer restrictions such as local reference rent or shared room rate Non-dependant deductions;
- Income tapers.

The responsibility for DHP is contained within the portfolio of the Executive Member for Finance.

2. Statement of Objectives

The Council recognises that it must be able to respond flexibly to the needs of tenants within the borough if it wants to support strong and sustainable local communities.

Discretionary Housing Payments will be used to help mitigate the escalation of needs that arise from unforeseen or exceptional circumstances that threaten tenants' abilities to remain in their homes, or secure suitable housing.

By providing an additional financial resource, DHPs will complement the running of the Council's Rent in Advance/Deposit Loan Scheme that is administered by the Housing Needs Team

In general payments of DHPs are to assist with a short term fix, while longer term solutions are sought.

The intentions of DHPs are:

- To help secure and move to alternative accommodation (e.g. rent deposit, downsizing as a result of Social Sector Size Criteria deductions);
- To help with short-term rental costs until the claimant is able to secure and move to alternative accommodation;
- To help with short-term rental costs while the claimant seeks employment;
- To help with on-going rental costs for a disabled person in adapted accommodation;
- To help with on-going rental costs for a foster carer;
- To help with short-term rental costs for any other reason.

3. Policy

3.1 Discretionary Housing Payments Scheme

DHPs are intended to provide short-term financial assistance in exceptional circumstances, where there is a shortfall between statutory benefits and rent. The scheme has been extended to particularly help with financial difficulties as a result of welfare reform, although in general awards are still for a fixed period and are intended to be short term.

The delivery of the DHP scheme is purely at the Council's discretion. The scheme set out in the following paper shall be known as the Discretionary Housing Payments Policy and will apply from 1st April 2018 onwards, until changed.

Awards can be made for any period up to a maximum of 52 weeks, without review, under normal circumstances. Any claimant can apply for a new award up to 4 weeks before the end of an existing award. This reflects the expected temporary nature of DHP support. Financial criteria and checks for entitlement are carried out in accordance with guidance and DWP best practice guide

In addition to the detail stated on page 4 of this policy, DHP awards can be made to cover:

- Moving costs – to assist in moving to more suitable or affordable accommodation;
- Rent in Advance – to secure a new affordable tenancy;

DHP awards cannot cover:

- A shortfall if Housing Benefit or Universal Credit has been reduced to recover an overpayment or because other benefits have been reduced, for example, because the claimant left their last job voluntarily;
- The cost of any services which are not eligible for help under the Housing Benefit or Universal Credit schemes such as ineligible service charges, water & sewerage, fuel and heating charges;
- Increases in rent due to outstanding rent arrears;
- Sanctions and reductions in benefit as set out within the current DWP DHP Guidance Manual.
- Help towards the cost of Council Tax if there is a loss of assistance due to the abolition of Council Tax Benefit.

3.2 Applying for a Discretionary Housing Payment

- The adopted DHP scheme will be advertised directly to benefit claimants, to welfare rights organisations and will be on our website, where an application form can be downloaded. Consideration will also be given to undertaking wider publicity, for example, through Borough News and Housing Matters. DHPs will complement the objectives of the Rent Deposit Scheme (operated by Housing Needs Team) and the Council's Health and Well-Being Strategy.
- Applications must be made on the appropriate application form available on our website or in hard copy by request.
- Evidence may be required to assist with the decision making of the application.
- All outcomes will be notified in writing.

3.3 Eligibility Criteria

To be considered for a DHP the applicant must:

- be entitled to Housing Benefit, or Universal Credit that includes a housing element towards housing liability;
- satisfy the Council that further financial assistance (in addition to the benefit or benefits to which they are entitled) is required in order to meet housing costs;
- have an assessed weekly income no more than 110% of assessed weekly essential expenditure,

- In the case of requests for removal costs, rent deposit and rent in advance, where one-off payments could be made, we would look to see the affordability of the charges, for example where funds are needed urgently to secure accommodation and/or facilitate a move. Bullet points 1 & 2 above still apply, however the assessed weekly income may exceed the 110% buffer but the main consideration in an award for removal costs, rent in advance and rent deposit is the overall affordability including the sustainability of rent payments going forward.

3.4 Awarding a Discretionary Housing Payment

When awarding a DHP the following will be considered;

- Whether the customer meets a priority need – set out within a separate document detailing high, medium and low priority cases, which can be found at <http://www.wokingham.gov.uk/benefits/housing/discretionary/> ;
- If awarded due to a shortfall, awards cannot exceed the rent charged but could be up to 100% of any shortfall of benefit compared to the full eligible rent;
- If awarded in connection with a claim of Universal Credit, DHP awards can, in general, be up to the level of the claimants housing element of UC;
- If awarded due to a shortfall caused by a non-dependant deduction, the income of the non-dependant (this could be an adult member of the household including grown up children) will first be considered, along with the reason why they are not making or are unable to make a financial contribution to the household costs;
- In addition, no payment will exceed the difference between the assessed weekly income and assessed weekly essential expenditure, unless it is a lump sum payment for removal costs/rent deposit/rent in advance where affordability is looked at, or an additional sum towards rent, providing award does not exceed the rent charged but could be up to 100% of any shortfall of benefit compared to the full eligible rent and would assist in resolving a short term issue;
- Different types of claim may demand different support levels and length of award;
- The Council may decide, where appropriate, to start to apply a taper to reduce the amount of DHP received, where a customer could be reasonably expected to address the issues surrounding the need for claiming;
- There will be no limit on the number of repeat applications where a positive award has been made;
- Repeat claims previously refused within the last 6 months for the same situation will not be allowed;

- Any award is seen ideally as being a temporary assistance with the aim being to allow claimants time to assess and change their circumstances and to be able to financially support themselves going forward. Recommendations may be made to assist the customer to help address specific areas, and where such recommendations are not heeded, conditionality could be applied for any future applications for assistance.

3.5 Payments of a Discretionary Housing Payment

Any award will be paid either with current housing benefit using the current methods of payment, direct to the landlord or in the most appropriate way for assistance with moving costs.

DHP payments for Universal Credit recipients will be paid in the most appropriate manner deemed by the authority and in accordance with DWP guidance.

3.6 Notification

The Council will notify the claimant of the outcomes in writing including the amounts and length of time of award, within 10 working days, whenever possible, of a completed claim and evidence being received.

The notification will also include details of what to do at the end of the current award if help is still required.

It will also include details of how to appeal a decision.

3.7 Right to Appeal

DHPs are not subject to any formal statutory appeals process.

The Council has formulated an internal appeals process for those who are not satisfied with the decision made.

If the claimant is dissatisfied they can appeal within 1 calendar month of the decision being made, where it will be reviewed by an officer different from the officer who made the original decision.

The officer will look at the case and make a decision whether to change the outcome or leave the original decision in place. Where the original decision remains unchanged, before notifying the decision to the claimant, a final review will be carried out by either the Service Manager – Assessments or Head of Finance.

The claimant will be notified of this decision in writing within 10 working days of all relevant information being received.

This is the only and final appeal process open to the claimant. However, claimants do have the option to use the Judicial Review process to review the manner in which the Council has determined to exercise a discretionary function.

3.8 Overpayments

If the Council becomes aware that the information contained in an application for a DHP award was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council may seek to recover the value of any DHP award made as a result of that application.

3.9 Fraud

The Council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a DHP award might have committed an offence under the Fraud Act 2006.

If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate and this could lead to criminal proceedings.

3.10 Publicity

In addition to details being contained on the Council's website, the scheme is advertised directly to benefit claimants and to local welfare rights advisors.

Application forms are available to be downloaded via the Council website or will be issued in response to any request received by email, telephone, in person or in writing.

Consideration will also be given to undertaking wider publicity through Borough News, Housing Matters or any other Council publication.

4 Monitoring

The Customer Support Team will monitor the amount and types of award made. This monitoring information will be available for management and members at any time, and any other relevant persons or organisations with whom data can be shared within appropriate legislation and guidance.

In addition the Department for Works and Pensions carries out 6 monthly monitoring on the amount of awards made to each funding stream: general Discretionary Housing Payment, Local Housing Allowance changes, Benefit Cap and Under Occupancy.

5 Financial Implications

Due to changes in benefit legislation and the Welfare Reform Act, the Government funding allocation for 2018/19 is set at £177,229 (compared with £196,279 for 2017/18.). It remains difficult to assess the level of take up each year, but it is expected that payments will continue to be contained within the Government funding allocations if the recommended Policy is adopted. However, the council has allocated a reserve fund of £20,000 to be available if the need should arise. The position will be closely monitored and reviewed.