

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;

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