

# Agenda Item IMD7

## INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD: IMD 2019/07

<b>TITLE</b>	<b>Discretionary Housing Payments Policy</b>
<b>DECISION TO BE MADE BY</b>	Executive Member for Finance, HR and Corporate Resources - Anthony Pollock
<b>DATE, MEETING ROOM and TIME</b>	29 March 2019 FF13 at 8:30
<b>WARD</b>	None Specific;
<b>DIRECTOR / KEY OFFICER</b>	Director of Locality and Customer Services - Sarah Hollamby

### **PURPOSE OF REPORT (Inc Strategic Outcomes)**

The Discretionary Housing Payment (DHP) scheme is funded by Government to assist residents who are on Housing Benefit or receive the housing element of Universal Credit, with their rent or costs associated with moving.

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

Under amendments to the Financial Assistance Regulations April 2013, expenditure falls within 4 broad areas:

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

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. A document produced by the DWP called "Discretionary Housing Payments Guidance Manual" March 18, is to assist LA's with the administration of any scheme. Generally calls on this fund represent "exceptional situations" for each applicant. Support through this scheme is to provide 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.

Without operating a scheme, residents could fall in to arrears with their rent commitments and be at risk of becoming homeless, therefore impacting on other council resources. The scheme can also assist with costs associated with moving which can help with moving to more affordable accommodation. The purpose of this scheme is to assist in meeting those payments while longer term solutions are found.

## **RECOMMENDATION**

The Executive Member for Finance, HR and Corporate Resources is recommended to:

- 1) approve the Policy amendments to be implemented from April 2019;
- 2) note that amendments have been made to the financial year, job titles and funding details but there have been no fundamental changes to the criteria for award or the process itself. The updated scheme would apply from 1<sup>st</sup> April 2019 and is now proposed for approval.

## **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, funding and job titles. There are no substantive changes proposed and on the whole the scheme itself remains the same.

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

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

The Discretionary Housing Payment (DHP) scheme is funded by 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 £177,229 for 2018/19 and this has increased to £184,648 for 2019/2020. The Council has at this time reserved a fund of £20,000, should additional need arise.

DHP are not payments of benefit and are outside of the Housing Benefit Regulations and Universal Credit Regulations. The DHP scheme is set out in the Discretionary Financial Assistance regulations (S.I.2001/1167) as amended by the Council Tax Benefit Abolition (Consequential Provisions) Regulations 2013 (S.I. 2013/458), which came into force on 1 April 2013; and the Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013 (S.I. 2013/630), which came into force on 29 April 2013.

## **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 (loans 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.

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 are administered within the Assessments Service of Customer and Localities Directorate. 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 the DHP scheme.

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

## **Business Case (including Analysis of Issues)**

Funding provided by Department for Works and Pension (DWP) to help with welfare reform and the impact it has on claimants. Schemes to be written locally to address local needs but within a framework and guidance provided by DWP.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £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 received £177,229 in government funding to cover the cost of awards made for 18/19. The council have also reserved £20,000 additional funds should the need arise.	Yes. No further awards will be made if funding is exhausted in year	
Next Financial Year (Year 2)	The Council will receive £184,648 in government funding to cover the cost of awards made for 19/20. The council have also reserved £20,000 additional funds should the need arise.	Yes. No further awards will be made if funding is exhausted in 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 gets a small administration grant (in the region of £7,000 pa) 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 Delivery Team in order to minimise any cost implications to the Council.

### **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 some of 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**

<b>Director – Locality &amp; Customer Services</b>	No major changes to policy that required consultation. Changes include updating of financial years, finances/funding
<b>Monitoring Officer</b>	No comments received
<b>Leader of the Council</b>	No comments received

**List of Background Papers**

DWP DHP Guidance Manual Updated March 2018;  
DWP Circular S1/2019;  
Revised WBC DHP Policy;

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