

# Agenda Item IMD4

## INDIVIDUAL EXECUTIVE MEMBER DECISION REFERENCE IMD: 2020/04

<b>TITLE</b>	Discretionary Housing Payments Policy
<b>DECISION TO BE MADE BY</b>	Deputy Leader of the Council - John Kaiser
<b>DATE, MEETING ROOM and TIME</b>	4 June 2020 "Teams" call 9:30am
<b>WARD</b>	None specific
<b>DIRECTOR / KEY OFFICER</b>	Deputy Chief Executive - Graham Ebers

### **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**

That the Executive Member for Finance and Housing:

- 1) Approve the Policy amendments to be implemented from 4<sup>th</sup> June 2020. Amendments are to financial year, job titles, COVID 19 and funding details;
- 2) There have been no fundamental changes to the criteria for award or the process itself. The updated scheme would apply from 4th June 2020 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, COVID 19 and job titles. There are no substantive changes proposed and on the whole the scheme itself remains the same.

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 and Housing. 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 £184,648 for 2019/2020 and this has increased to £239,158 for 2020/2021. 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.

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.

DHPs are administered within the Assessments Service of Resource and Assets 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 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)**

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.

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, which should be done in conjunction with "Discretionary Housing Payments Guidance Manual" (August 19). Generally calls on this fund represent "exceptional situations" and support through this scheme is to provide short-term assistance to claimants to meet rental costs or assistance in obtaining housing. However, 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. The scheme can also assist with costs associated with moving which can help with moving to more affordable accommodation.

**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 £239,158 in government funding to cover the cost of awards made for 20/21. 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	

<b>Other financial information relevant to the Recommendation/Decision</b>
The Council gets a small administration grant towards the running of this scheme. The amount for 2020/2021 is £7,803. 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 Specialist and Customer Delivery Teams in order to minimise any cost implications to the Council

<b>Cross-Council Implications</b>
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

<b>Public Sector Equality Duty</b>
Please confirm that due regard to the Public Sector Equality Duty has been taken and if an equalities assessment has been completed or explain why an equalities assessment is not required.

<b>SUMMARY OF CONSULTATION RESPONSES</b>	
<b>Director – Corporate Services</b>	No major changes to policy that required consultation. Changes include updating of financial years, finances/funding
<b>Monitoring Officer</b>	Nothing to add
<b>Leader of the Council</b>	Emailed policies to Leader on 7 <sup>th</sup> May 2020

<b>Reasons for considering the report in Part 2</b>
N/A

<b>List of Background Papers</b>
DWP DHP Guidance Manual Updated August 2019; DWP Circular S2/2020; Revised WBC DHP Policy

<b>Contact</b> Nicky Thomas	<b>Service</b> Housing, Income and Assessments
<b>Telephone No</b> Tel: 0118 974 6590	<b>Email</b> nicky.thomas@wokingham.gov.uk

This page is intentionally left blank