

Agenda Item IMD14

INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD: IMD 2021/14

TITLE	Discretionary Housing Payments
DECISION TO BE MADE BY	Executive Member for Finance and Housing - John Kaiser
DATE, MEETING ROOM and TIME	11 May 2021 Council Chamber at 10.30am (Please see front sheet for attendance details)
WARD	None Specific;
DIRECTOR / KEY OFFICER	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" January 21, 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 into 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 11th May 2021. Amendments are to financial year, job titles and funding details,
- 2) Agrees with the proposal that going forward the policy only needs formal sign off by Executive Member should there be any fundamental changes to the policy or award criteria, excluding those described above.

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, financial year, 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 and Housing. It falls under the provisions of an Individual Executive Member Decision for the proposed revised Policy to be adopted.

The DHP 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 an initial amount of £132,323, which will be reviewed and topped up by Government at mid-year based on caseload data. Government funding was £239,158 for 2020/21 for the full year, for 2021/22 the maximum amount of funding will be in the region of £186,000. The Council does not normally intend to make any top ups from its own budgets although may consider, if it is appropriate. However, for 21/22, the council has reserved an amount of £20,000 from its own funds, should additional spend be required.

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 into account. A full Equality Impact Assessment was completed at the time of the original approval in April 2013 and kept under review. 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 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 1st 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" (January 21). 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 into 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 faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	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 an initial amount of £132,323, which will be reviewed and topped up by Government at mid-year based on caseload data to cover the cost of awards made for 21/22. The maximum amount of funding will be in the region of £186,000. The council have also reserved £20,000	Yes. No further awards will be made if funding is exhausted in year.	Revenue
Next Financial Year (Year 2)	Not yet Known	DWP advises LA's of grant amount in the	Revenue

		February/March 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 February/March prior to the start of each financial year	Revenue

Other financial information relevant to the Recommendation/Decision

The Council gets a small administration grant towards the running of this scheme. The amount for 2021/2022 is £13,008. 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.

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

Public Sector Equality Duty

Due regard has been given to WBC's duties under the Equality Act 2010

SUMMARY OF CONSULTATION RESPONSES

Director – Resources and Assets	No major changes to policy that required consultation. Changes include updating of financial years, finances/funding
Monitoring Officer	Consulted with MO, nothing to add
Leader of the Council	Emailed policies to Leader on 13 th April 2021

Reasons for considering the report in Part 2

N/A

List of Background Papers

DWP Circular S4/2021
Revised DHP Policy

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