

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Overview and Scrutiny Committee
<b>Date of Meeting:</b>	21 July 2015
<b>Subject:</b>	Review of Discretionary Housing Payment Policy
<b>Report of:</b>	Richard Horton, Revenues and Benefits Group Manager
<b>Chief Officer:</b>	Rachel North, Deputy Chief Executive
<b>Lead Member:</b>	Councillor D J Waters
<b>Number of Appendices:</b>	2

## **Executive Summary:**

The Council has powers to award a discretionary housing payment where a tenant is having difficulties in meeting their rent liabilities, where it is appropriate to do so, but also to make payment, where appropriate, towards other housing costs.

## **Recommendation:**

To endorse the findings of the review of the Discretionary Housing Payment Policy and to **RECOMMEND TO THE EXECUTIVE COMMITTEE** that the revised Policy be **ADOPTED**.

## **Reasons for Recommendation:**

The existing policy for awarding discretionary housing payments needs to be reviewed following:

- 1) The impact of welfare reform and the Chancellor's budget of 8 July 2015.
- 2) The work done on financial inclusion.
- 3) The completion of the transformation project.

The proposed changes will assist moving clients into cheaper alternative accommodation and reducing the need to make further application for discretionary housing payments. If the changes are accepted then it will greatly assist both the benefits team and housing services in the administration of the discretionary housing payments and will assist in reducing expenditure. In addition, there will be further reductions in welfare benefit awards for some recipients following the Chancellor's announcements made in the budget speech of 8 July 2015. It is important that the Council is in a position to react and assist housing benefit recipients who could be facing further reductions in benefit where they are experiencing difficult or challenging circumstances and it is appropriate to make payment.

## **Resource Implications:**

The Borough Council receives a grant from central Government so that it can make awards of discretionary housing payments. The scheme is subject to budgetary limits and is subject to managerial checks.

## **Legal Implications:**

The regulations covering Discretionary Housing Payments are contained in the Discretionary Financial Assistance Regulations 2001

**Risk Management Implications:**

Awards of discretionary housing payments are monitored regularly and reviewed.

**Performance Management Follow-up:**

All claims to discretionary housing payments are constantly monitored.

**Environmental Implications:**

None.

**1.0 INTRODUCTION/BACKGROUND**

- 1.1** At its meeting on Tuesday 16 June 2015, the Overview and Scrutiny Committee agreed to carry out a review of the Discretionary Housing Payment Policy. A workshop was subsequently held on 8 July 2015 to review the policy and Members made important contributions to the meeting.
- 1.2** Discretionary housing payments are made to those tenants who are on low incomes. To qualify they must be eligible for housing benefit. Currently, the discretionary housing payment is being used to help tenants keep their homes where their housing benefit does not meet their full rent. Welfare budgets are being reduced and there is a need to encourage some tenants to move into cheaper alternative accommodation. The impact this will have is to reduce the regular monthly discretionary housing payments and make people less reliant on awards of discretionary housing payments to continue to support them.
- 1.3** Welfare budgets are being reduced and the amount being awarded currently to some recipients is being restricted or capped to no more than £26,000 a year per claimant. In the future welfare benefits will be capped to the following levels: £23,000 per year for residents in London and £20,000 per year for residents outside of London. The impact is that the Council may need to react to cases where people are experiencing acute or difficult circumstances and may need financial assistance through a discretionary housing payment for a period of time to get through the difficulty.

**2.0 PROPOSED CHANGES**

- 2.1** To that end the Revenues and Benefits team and the Housing team are working closely together on claims for discretionary housing payments. To assist the claimant in moving we would like to offer assistance by being able to pay:
- towards the rent deposit when moving into a new home
  - and assist with removal costs.
- 2.2** When considering the application the decision-maker must take into account whether:
- the property is affordable for the tenant;
  - the tenant has a valid reason to move; and
  - the deposit or removal cost is reasonable.
- 2.3** Currently, the Council has five housing benefit claimants whose benefits are being capped; it is likely that the numbers will increase following the Chancellor's announcement in his budget speech of 8 July 2015. It is important that the Council is in a position to offer assistance where there is a need and the housing benefit recipient is:

- in temporary accommodation; or
- an individual or family fleeing domestic violence; or
- those with kinship care responsibilities; or
- an individual or family who cannot move immediately for reasons of health, education or child protection.

**2.4** Finally there is a need to update the introduction of the Discretionary Housing Payment policy to include the following points:

- Local authorities may also make payment awards towards other housing costs (this is to better reflect the proposed changes to the policy).
- The level of discretionary housing payment awarded must not exceed the eligible rent, taking into consideration the claimant's overall financial and personal circumstances. For lump sum payments such as deposits and or removal costs the above limits do not apply. (This proposed change is in place to bring the policy in line with the regulations).

### **3.0 SIGNIFICANT GOVERNANCE ISSUES**

**3.1** All applications for discretionary housing payments are made in writing and with supporting evidence. Cases are reviewed and managerial checks made. The discretionary housing payment budget is subject to checking by the Council's auditors who have a duty to report any incorrect expenditure.

### **4.0 OTHER OPTIONS CONSIDERED**

**4.1** None.

### **5.0 CONSULTATION**

**5.1** The proposed changes have been considered at the Overview and Scrutiny Workshop on 8 July 2015.

### **6.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

**6.1** The existing policy for Discretionary Housing Payments is attached at Appendix 1.

### **7.0 RELEVANT GOVERNMENT POLICIES**

**7.1** Discretionary Housing Payments Housing Guide.

### **8.0 RESOURCE IMPLICATIONS (Human/Property)**

**8.1** None arising from this report.

### **9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

**9.1** None.

### **10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**

**10.1** None - an equalities impact assessment has been carried out.

## 11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

11.1 None.

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**Background Papers:** None

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**Appendices:** Appendix 1 - Existing Policy on Discretionary Housing Payments  
Appendix 2 - Proposed Policy on Discretionary Housing Payments