

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	2 September 2015
Subject:	Changes to the Discretionary Housing Payment Policy for Housing Benefits
Report of:	Richard Horton, Revenues and Benefits Group Manager
Chief Officer:	Rachel North, Deputy Chief Executive
Lead Member:	Councillor D J Waters, Lead Member for Finance and Asset Management
Number of Appendices:	Two

Executive Summary:

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

Recommendation:

To adopt the revised Discretionary Housing Payment Policy.

Reasons for Recommendation:

The existing policy for awarding discretionary housing payments has been reviewed by the Overview and Scrutiny Committee following:

- The impact of welfare reform and the Chancellors budget of 8 July 2015;
- The work done on financial inclusion; and
- The completion of the transformation project in the benefits team.

If the changes are adopted then it will greatly assist both the benefits team and housing services in the administration of the discretionary housing payments and will help in reducing discretionary housing payment expenditure. The proposed changes will assist moving clients into cheaper alternative accommodation and reduce the need for the claimant to make a further application for discretionary housing payments. In addition, there will be further reductions in welfare benefit awards for some recipients. 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. On 8 July 2015 the Chancellor announced that benefit awards would be capped to £23,000 for those residents in London and to £20,000 to those living outside of London. It is possible that a number of housing benefit recipients will be experiencing financial difficulty 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 to ensure that continued payment is appropriate.

Performance Management Follow-up:

All claims to discretionary housing payments are regularly monitored.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

- 1.1** An Overview and Scrutiny workshop was held on 8 July 2015 to review the Policy. On 21 July 2015 the Overview and Scrutiny Committee met to discuss the reviewed policy and recommended that it be passed to the Executive Committee on 2 September 2015 for adoption.
- 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. In the majority of cases, awards are made for short periods of time. 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 which will mean less reliance on awards of discretionary housing payments to continue to support the household.
- The Chancellor of the Exchequer announced in his budget that housing benefit awards will be reduced. Currently, the amount being awarded to some recipients is being restricted or capped to no more than £26,000 a year per claimant. In future welfare benefits will be capped to the following levels: for residents in London to £23,000 and outside of London to £20,000 per year. The impact is that the Council may need to react to deal with cases which are experiencing acute or difficult circumstances and award a discretionary housing payment, for a period of time, to help that person or family through the difficulty.

1.3 Proposed changes

The Revenues and Benefits Team and the Housing Team are working closely together on claims to 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.

When considering the application the decision maker must take into account whether:

- the property is affordable for the tenant; and
- the tenant has a valid reason to move; and
- the deposit or removal cost is reasonable.

Currently, the Borough Council has five housing benefit claimants whose benefits are being capped; it is very likely that the numbers will increase following the Chancellor's announcement in his budget speech on 8 July 2015. It is important that the Borough Council is in a position to offer assistance where there is a need and the housing benefit recipient is:

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

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 DHP 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).

2.0 SIGNIFICANT GOVERNANCE ISSUES

2.1 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.

3.0 OTHER OPTIONS CONSIDERED

3.1 None.

4.0 CONSULTATION

4.1 The proposed changes were considered at the Overview and Scrutiny Committee workshop on 8 July 2015 prior to the Overview and Scrutiny Committee meeting on 21 July 2015 which then recommended the Policy to the Executive Committee.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 The existing Policy for Discretionary Housing Payments at Appendix 1.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 Discretionary Housing Payments Housing Guide.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 None arising from this report.

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 None.

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

9.1 None. An equalities impact assessment has been carried out.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None.

Background Papers: None.

Contact Officer: Richard Horton, Revenues and Benefits Group Manager
Tel: 01684 272119 Email: richard.horton@tewkesbury.gov.uk

Appendices: Appendix 1 - The existing Discretionary Housing Payment Policy.
Appendix 2 - The proposed revised Policy.