

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	23 September 2020
Subject:	Discretionary Housing Payments Audit Progress Report
Report of:	Head of Corporate Services
Corporate Lead:	Deputy Chief Executive
Lead Member:	Lead Member for Finance and Asset Management
Number of Appendices:	One

Executive Summary:

The report provides an update on the progress made on implementing audit recommendations following a review of Discretionary Housing Payments and an unsatisfactory audit opinion.

Discretionary Housing Payments (DHPs) may be awarded when a local authority considers that a claimant requires further financial assistance towards housing costs and is entitled to either Housing Benefit or Universal Credit (with the housing cost element) towards rental liability.

Recommendation:

That the report is noted.

Reasons for Recommendation:

To update Members of the progress made against the recommendations coming out the Discretionary Housing Payments audit.

Resource Implications:

The DHP scheme is funded by Government and the Council can top up the funding up to an additional 150% from its own resources if it so wishes.

The allocation for the 2020/21 financial year is £142,189.

Legal Implications:

The regulations covering Discretionary Housing Payments are the Discretionary Financial Assistance Regulations 2001. Although the legislation gives a very broad discretion, decisions must be made in accordance with ordinary principles about good decision-making. In particular, the Council has a duty to act fairly and consistently.

Tewkesbury Borough Council's administration of Discretionary Housing Payments complies with both the legislation and the Department for Work and Pension's Discretionary Housing payments guidance manual 2019.

Risk Management Implications:

The increase in the number of claims for Universal Credit in the Borough and forthcoming changes to the Government's furlough scheme means there are likely to be further pressures on the Discretionary Housing Payments budget as the year progresses. This will be managed by ensuring that all applications continue to be assessed in accordance with policy and comprehensive evidence of financial need being provided in support of the application.

Performance Management Follow-up:

Applications for Discretionary Housing Payments are monitored against budget and once appropriate performance reporting measures have been agreed with the Lead Member for Finance and Asset Management these will be monitored and remedial action taken if necessary.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

- 1.2** Due to increased pressures on the DHP budget the Executive Committee was asked in January 2020 to consider topping up the fund with an additional £40,000 of Council reserves. As part of this request, the Revenues and Benefits Manager stated "to ensure we are making the best use of resources a review will be undertaken by Internal Audit to ensure that awards are being made consistently and only to those demonstrating a real need for financial support".
- 1.3** In February 2020, the audit was undertaken resulting in an unsatisfactory audit opinion. The report was presented to Audit and Governance Committee on 29 July 2020. To further reassure Members, it was agreed that a report would be brought back to the next meeting with an update on progress against recommendations.
- 1.4** Due to the impact of the COVID-19 pandemic on the Revenues and Benefits team and the Revenues and Benefits Manager, in particular, who has been working on the delivery of business grants since the end of March, not as much progress has been made as would have been the case in normal times in implementing the recommendations. The COVID-19 pandemic has also meant that the team have had to work around some of the recommendations due to being unable to see residents face-to-face and unable to accept paper documents in support of their application.
- 1.5** Further progress also needs to be made in case management between Benefits and Housing to ensure that we are moving residents to more suitable accommodation and reducing their reliance on DHPs which are meant to provide temporary support. This has been incorporated in the Revenues and Benefits work plan for Quarter 2.

2.0 AUDIT RECOMMENDATIONS AND PROGRESS MADE TO DATE

2.1 Recommendation 1 – a checklist should be developed to support the collection and assessment of DHP information.

A checklist has been developed and is now used in the assessment of every Discretionary Housing Payment application. The following checks are undertaken in assessing the application:

1. Obtain 3 months of bank statements.
2. Using bank statements to verify the amounts stated on the application form.
3. Obtaining tenancy agreements to confirm rent liability.
4. Obtaining supporting evidence for reported health issues.
5. Obtaining information on claimants' housing status.
6. Details of conditions applied to the award (for any renewed application confirmation that conditions have been met).
7. Details of the exceptional circumstances where DHP is awarded in excess of 13 weeks.
8. The provision of personal budgeting support either internally or through partners.

2.3 Recommendation 2 – The inclusion of non-essential items should be considered as part of the scheduled review of the DHP policy.

The DHP policy has been reviewed and non-essential items of expenditure such as alcohol, cigarettes, newspapers and magazines are no longer taken into consideration when assessing the application.

2.4 Recommendation 3 – Consideration should be given to introduce performance reporting in respect of DHPs. This should be in consultation with the Lead Member for Finance and Asset Management.

Due to the impact of the COVID-19 pandemic and the involvement of the Revenues and Benefits Manager in the delivery of business grants it has not been possible to discuss performance reporting with the Lead Member for Finance and Asset Management. Expenditure against budget is, however, routinely monitored with expenditure of £32,609 as at the end of August against a budget of £142,189. Performance reporting options will be discussed in the coming months.

2.5 Recommendation 4 – an independent verification check should be carried out on a sample of DHP applications (10% of total applications received). This check should include a recalculation of the income and expenditure spreadsheet used by the assessors.

Again, due to impact of the COVID-19 pandemic on the workload of the Revenues and Benefits team there has not been the resources to carry out detailed checks, including the recalculation of income and expenditure, as per the recommendation. As the additional pressures on the team start to ease, verification checking has started on 10% of cases from Quarter 1. This work will continue over the coming weeks and the outcomes will be fed back to the assessing officers.

3.0 OTHER OPTIONS CONSIDERED

3.1 None as the report is for information only.

- 4.0 CONSULTATION**
- 4.1 None.
- 5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**
- 5.1 Discretionary Housing Payments Policy.
- 6.0 RELEVANT GOVERNMENT POLICIES**
- 6.1 Discretionary Housing Payments Guidance Manual 2019.
- 7.0 RESOURCE IMPLICATIONS (Human/Property)**
- 7.1 As contained within the 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.
- 10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**
- 10.1 None.

Background Papers: None

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Appendices: 1. Final Audit Report – Discretionary Housing Payments