

 Executive – 13th March 2013		Agenda Item No. 5
Title	Discretionary Housing Payment Policy	
For further information about this report please contact	Andrea Wyatt Benefits and Fraud Manager 01926 456831 e mail: andrea.wyatt@warwickdc.gov.uk	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	DHP Guidance Manual	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	Yes

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive		Chris Elliott, Andrew Jones, Bill Hunt
Head of Service		Mike Snow
CMT		As above
Section 151 Officer		Mike Snow
Monitoring Officer		Andrew Jones
Finance		Mike Snow
Portfolio Holder(s)		Andrew Mobbs
Consultation & Community Engagement		
N/A		
Final Decision?		Yes

1. **SUMMARY**

- 1.1 It has been necessary to revise the Discretionary Housing Payments (DHP) policy to reflect changes to the housing and council tax benefit schemes which will be implemented in April 2013.

2. **RECOMMENDATION**

- 2.1 It is recommended that the Executive approves the discretionary housing payment policy attached at Appendix 1.

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The current policy requires updating following legislative changes. Specifically, following the abolition of Council Tax Benefit from April 2013, Discretionary Housing Payments can no longer be made towards council tax liability. A customer who is receiving Council Tax Support, with no rental liability (e.g. an owner occupier) is not eligible to apply for a DHP. The proposed updated policy is included as Appendix 1.

4. **POLICY FRAMEWORK**

- 4.1 The amended policy supports the sustainable community strategy and the cross cutting themes and in particular narrowing the gaps.

5. **BUDGETARY FRAMEWORK**

- 5.1 There is no impact to the Council at the present time as expenditure has always been contained within the allocation from the Government. Whilst local authorities are able to increase the amount spent on DWP, this is not currently advocated. If the number of eligible claims mean the budget may potentially be exceeded, it will be necessary to report back to members to consider whether additional funding may be made available.

6. **ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 There are no alternative options, the fund is a ring fenced fund and the DWP provides the guidelines to local authorities in respect of how the money can be used.

7. **BACKGROUND**

- 7.1 The Government allocates funding each year to local authorities to assist claimants who are suffering severe financial hardship, receive housing benefit and or council tax benefit and are still struggling to pay their rent or council tax; these payments are referred to as discretionary housing payments. It has been necessary to revise the Council's discretionary housing payments policy from April 2013, to ensure that it is fit for purpose following the welfare reforms which will be implemented at the same time.
- 7.2 The Government recognises that demands on this fund are likely to increase as a result of the welfare changes and an additional £95,442 has been allocated to Warwick District Council for 2013/14, bringing the total contribution from the Government to £168,556. Warwick District Council can contribute additional monies to this fund up to 2.5 times the Government contribution, by resolution of the Full Council, should it be deemed necessary. However additional funding from the Council to support this fund has never been necessary and due to the substantial increase in Government funding it is not expected that the situation will change from April 2013.

- 7.3 Previously, benefit claimants within the social rented sector have placed little demand on this fund, largely because the maximum housing benefit payable is equal to the rent charged and has not been subject to any eligible rent restrictions. However, in the private sector restrictions to the maximum housing benefit which can be paid often means the benefit does not cover the full rent. However the new under occupancy rules set to be introduced in the social rented sector from April, will mean that benefit claimants who have more bedrooms than their needs require will see restrictions in the maximum amount of housing benefit that they can receive and a significant increase in applications from this sector is expected.
- 7.4 It is important that claimants, who qualify for help from the discretionary housing payment fund, are aware that payments are not a long term solution. The fund is limited and it is unlikely that we will continue to receive the same level of funding from April 2014 onwards. Claimants are encouraged to use the time whilst they are in receipt of discretionary payments to seek alternative ways in which they can help themselves. Claimants are referred to other departments and advice agencies wherever possible for further help and assistance.
- 7.5 The Good Practice Guide issued by DWP on DHP is being updated. This brings in changes to the previous guidance with regards to the changes to council tax benefit. The draft guidance can be found at the following link [DHP Guidance Manual](#).