

Report of	Meeting	Date
Director of Finance (Introduced by the Executive Member for Resources)	Executive Cabinet	25 <sup>th</sup> May 06

## DISCRETIONARY HOUSING PAYMENTS

### PURPOSE OF REPORT

- To seek approval of proposed amended procedures and criteria to be applied to claimants in the administration of Discretionary Housing Payment applications in line with amended HB/CTB regulation changes.

### CORPORATE PRIORITIES

- There is no direct link to the corporate priorities.

### RISK ISSUES

- The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy		Information	
Reputation		Regulatory/Legal	
Financial	√	Operational	
People		Other	

- As the policy stands at the moment, there is a risk that we would make Discretionary Housing Payments that are not appropriate. This is a financial risk.

### BACKGROUND

- The introduction of The Discretionary Finance Assistance Regulations 2001 on 2<sup>nd</sup> July 2001 brought in new arrangements which allowed authorities, in certain circumstances, to make payments to any claimant whose Housing/Council Tax Benefit is less than their full standing payments. These payments are made at the discretion of the authority and are subject to an annual cash limit funded by the DWP. They are awarded in cases where the Local Authority considers that additional help with housing costs is needed. There are no prescribed tests and authorities simply have to be satisfied that the person concerned is in need of further financial assistance for housing costs.
- The discretionary payments (DHP's) are limited by means of a Permitted Totals Order, effectively known as the "discretionary fund". Neither Assessment Officers or a Review board may make a payment which would exceed the Permitted Total Order.

## **RECOMMENDED AMENDMENTS TO THE CURRENT DHP POLICY FROM 1 APR 06**

7. Change is needed to the policy for the following reasons:

The current policy allows the disregard of a customer's capital savings in line with the HB/CTB thresholds. Currently, this means that we would disregard £3,000 of a customer's savings if they were under 60 years and we would disregard £6,000 of a customer's savings if they were over 60 years.

From 1 April 2006, a regulation change came into force which means that the first £6,000 of any savings held by benefit customers of all ages will be disregarded in the calculation of Housing and Council Tax Benefit. The DHP policy currently states at item 13:

"All capital will be taken into account in the Discretionary Housing Payment assessment with the exception of any capital that is disregarded under the HB/CTB Regulations"

In the event of no change to the policy, from 1 April 2006, £6,000 of capital savings would be disregarded in the calculation of DHP assessments for all customers. We feel that an applicant who has £6,000 held in savings has sufficient resources to meet their housing costs from their savings and they should not, therefore, be awarded a DHP.

It is suggested that the wording of ITEM 13 of the current policy is changed to:

"All capital will be taken into account in the Discretionary Housing Payment assessment with the exception of the first £3,000 of any capital, which will be disregarded"

## **COMMENTS OF THE HEAD OF HUMAN RESOURCES**

8. There are no apparent human resources implications contained in this report.

## **RECOMMENDATION(S)**

9. That the DHP Policy be amended to ignore only the first £3,000 capital in all cases.

## **REASONS FOR RECOMMENDATION(S) (If the recommendations are accepted)**

10. So the scheme is consistent for all applicants.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

11. To increase the capital disregard to £6,000 for all applicants. This would, however, have an impact on the number of DHP applications that could be paid due to overall cash limit applied to DHPs.

CHIEF OFFICER NAME	GARY HALL
CHIEF OFFICER DESIGNATION	DIRECTOR OF FINANCE

**Background Papers**

<b>Document</b>	<b>Date</b>	<b>File</b>	<b>Place of Inspection</b>
Circular S2 2006	2006		Benefits Office, Union Street

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
Julie Riding	5421	08 Mar 06	Draft report to cttee DHP policy amendments.doc