

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Leader and Cabinet  
**AUTHOR/S:** Chief Executive / Head of Revenues

12 April 2007

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### **POLICY FOR THE AWARD OF DISCRETIONARY HOUSING PAYMENTS**

#### **Purpose**

1. To request that Cabinet formally recommend to Council the adoption of a policy for the award of discretionary housing payments (DHP) in order to formalise existing practices, and to facilitate fair and consistent awards.

#### **Background**

2. The Council has a discretionary power to 'top-up' awards of Housing or Council Tax Benefit under the Child Support, Pensions and Social Security Act 2000 and the Discretionary Financial Assistance Regulations 2001. This discretion applies where claimants qualify for Housing or Council Tax Benefit but that benefit does not fully cover the cost of their Council Tax or rent and, in the Council's opinion, they are in need of additional help with their housing costs.
3. The Department for Works and Pensions provides the Council with an annual ring-fenced grant for these awards, worth £25,000 in 2006/07. The Council may make awards in excess of this grant, but the excess must be funded directly from the Council's General Fund. Any unspent grant must be returned to the Government at the end of the financial year.

#### **Considerations**

4. Awards of DHP represent an important method of providing the more vulnerable members of the local community with financial assistance to meet housing costs. Awards can contribute towards reducing homelessness and improving social inclusion by assisting residents with financial difficulties in retaining their current tenancies.
5. The Council does not currently formally endorse a policy for the award of DHP, however, there is good practice in place with robust procedures to ensure applications are evaluated fairly and consistently.
6. It is, however, generally accepted best practice for council's to adopt formal policies governing the award of DHP to ensure awards are made in a fair, consistent and transparent manner. This proposed policy incorporates the current good practice in making awards into a formal policy for adoption by the Council.

#### **Options**

7. Adopt a formal policy as recommended in this report for awards of DHP.
  - (a) This option will ensure future fairness, transparency and consistency in awards.

8. Continue to make awards based on existing custom and practice.  
 (a) The lack of a formal policy increases the risk of inconsistencies in awards.

### Implications

9. Financial	Where the total amount awarded in any financial year is below the value of the ring fenced Government grant there is no cost to the Council. Any awards in excess of the grant must be met from the Council's General Fund and cannot exceed a statutory amount (approximately £49,000 for 2006/07). It is not anticipated that the adoption of this policy will result in awards exceeding the grant and therefore the policy will be cost neutral to the Council.
Legal	The Council has a legal obligation to consider each request for an award and must come to a reasonable decision in each case having given consideration to the individual circumstances.
Staffing	None
Risk Management	The policy will ensure that these limited funds are used in a manner that is beneficial to those residents most in need of assistance with their housing costs. The policy will minimise the risk of payments exceeding the amount provided through the Government grant.
Equal Opportunities	Adoption of a formal policy will ensure awards are made consistently and transparently and therefore guard against the possibility of any bias in the awards process.

### Consultations

10. The Council's Housing Advice and Options manager has been consulted in the development of this policy.
11. It is proposed to carry out wider consultation with stakeholders such as advice agencies and landlords during 2007/08 and to give consideration to revising the policy, if appropriate, from 2008/09

### Effect on Annual Priorities and Corporate Objectives

12. Affordable Homes	DHP awards can help residents to afford housing costs.
Customer Service	Customers will have access to a published policy that sets out the process by which awards will be evaluated.
Northstowe and other growth areas	None
Quality, Accessible Services	Publication of a formal policy will ensure applicants have a clear understanding of the awards process
Village Life	DHP awards can help residents remain in their current property when they may otherwise have to move because they cannot afford the shortfall in rent. This may enable residents to remain in a particular village.
Sustainability	None
Partnership	None

### **Conclusions/Summary**

13. The Council does not currently have a formal policy for awards of discretionary housing payments, but it is generally accepted best practice for such a policy to be adopted in order to ensure awards are made in a consistent, fair and transparent manner.
14. Current practices are considered to be sound and facilitate awards to people most in need of assistance. The proposed policy set out in **Appendix A** will ensure the current practices are formally adopted as policy.

### **Recommendation**

15. Cabinet is recommended to formally recommend to Council that the policy for award of discretionary housing payments as set out in the appendix to this report be adopted in order to facilitate future awards from the financial year 2007/08 onwards.

**Background Papers:** the following background papers were used in the preparation of this report:

1. The Child Support, Pensions and Social Security Act 2000,
2. The Discretionary Financial Assistance Regulations 2001
3. Department For Works And Pensions: Guidance For Local Authorities On The Operation Of Discretionary Housing Payments

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