



AGENDA ITEM: 10
SUMMARY

Report for:	Cabinet
Date of meeting:	23 July 2013
PART:	1
If Part II, reason:	

Title of report:	Review of Discretionary Policies in Revenues and Benefits
Contact:	Cllr Nicholas Tiley, Portfolio Holder for Finance and Resources Author/Responsible Officer: Chris Baker, Group Manager (Revenues, Benefits and Fraud).
Purpose of report:	To seek approval of revised policies for discretionary housing payments, discretionary council tax reduction and discretionary rate relief.
Recommendations	That Cabinet agree to adopt the following policies relating to the exercise of the Council's powers to award discretionary additional support: 1. Discretionary Housing Payments Policy as set out in Appendix A. 2. Discretionary Council Tax Reduction Policy as set out in Appendix B . 3. Discretionary Rate Relief Policy as set out in Appendix C.
Corporate objectives:	Dacorum Delivers – revision of the policies will ensure that discretionary awards made by Revenues and Benefits support local residents thus providing better value for money. Building Community Capacity – ensuring discretionary awards contribute to the objectives of the Council and thus benefit the local community. Regeneration – discretionary rate relief can be used to support local businesses and so aid regeneration in rural areas.
Implications:	<u>Financial</u> The April 2013 changes to welfare benefits and the localisation of business rates have impacted on the discretionary funding

<p>'Value For Money Implications'</p>	<p>required to be made by the Council. This review enables the Council to review on-going entitlement, to ensure future applications meet the new criteria and therefore ensure all expenditure is beneficial to the community.</p> <p><u>Value for Money</u></p> <p>Revising the policies enables the Council to ensure that all awards contribute to the priorities of the Council and so therefore provide value for money to residents.</p>
<p>Risk Implications</p>	<p>The intention of this report is to comply with legislation and therefore avoid the risk of non-compliance.</p>
<p>Equalities Implications</p>	<p>The aim of the policies is to ensure that all applicants are treated in a fair consistent and equal manner.</p>
<p>Health And Safety Implications</p>	<p>There are no health and safety implications arising from this report</p>
<p>Monitoring Officer/S.151 Officer Comments</p>	<p>Monitoring Officer:</p> <p>The Council has a discretion to award additional support in certain circumstances in relation to Housing Benefit, Council Tax and Business Rates. Decisions made by Council officers in exercise of these discretionary powers must be reached in accordance with policies which are in existence at the time and comply with government guidance. This is to ensure that decisions are made fairly and consistently and that the Council is protected from legal challenge.</p> <p>Deputy S.151 Officer</p> <p>There are approved budgets in place for 2013/14 from which the award of discretionary reductions/reliefs will be funded. There is a risk that the recent Welfare Reforms, and the consequent reductions in benefits for some of Dacorum's residents, will result in increased demand for discretionary support that will put pressure on existing budgets. Budgets and the application of the revised policies will be closely monitored throughout the year to ensure that the Council meets its obligations within the regulatory framework.</p>
<p>Consultees:</p>	<p>Finance & Resources Overview and Scrutiny Committee Housing & Community Overview and Scrutiny Committee</p>
<p>Background papers:</p>	
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	

BACKGROUND

1. Background

1.1 There are three areas of Revenues and Benefits within which the Council has discretion to make further awards of support:

- Discretionary Housing Payments (DHP) can be made in addition to housing benefit awards;
- Discretionary Council Tax Reductions (DCTR) can be used to reduce council tax bills in addition to discounts, exemptions and local council tax support; and,
- Discretionary Rate Relief (DRR) can be used to reduce business rate bills in addition to statutory reliefs.

2. The impact of Welfare Reform

2.1 Changes arising from the government's welfare reform agenda, effective from 1 April 2013, have necessitated a review of the Council's discretionary policies for each of these areas:

- The Discretionary Housing Payments policy needs to be revised to take into account the recent changes to welfare benefits, and to ensure that effective use is made of the additional central government funding provided for this scheme;
- The Discretionary Council Tax Reduction policy needs to be revised to take into account the recent changes to welfare benefits and the local Council Tax Support Scheme; and,
- The Discretionary Rate Relief policy needs to be revised to take into account changes in funding due to Business Rates Retention.

2.2 The proposed policies incorporating these changes are attached as appendices to this report. They have been drafted to make it clear how awards will be made in line with the Council's objectives, and the factors which will be taken into account when decisions are made.

3. Consultation

3.1 The draft policies have been presented to the Overview and Scrutiny Committees for Finance & Resources and Housing & Community, and their comments and feedback have been incorporated into the proposed policies attached.

3.2 The comments by the Housing & Community Overview and Scrutiny Committee referred to:

- The need for the policies to take into account central Government guidance about the use of discretion.

- This has been addressed by the insertion of the following paragraph (with relevant amendment) within the “Background and legislation” section of each policy:
“Applications for a *discretionary award* will be considered in line with this policy and relevant guidance provided by the *Department for Work and Pensions/Department for Communities and Local Government*.”
- The need to validate the consistency of decision making.
 - The DHP and DCTR policies already included each decision being made by two experienced officers, in order to reduce the risk of inconsistency. This approach has now also been taken in the DRR policy.
 - Each policy also has its own appeal process, which enables the applicant to request a review of the initial decision, although this varies for each policy due to the different underlying legislation.
 - The issue has been further addressed by the introduction of a sample check of decisions made, which will enable the identification of any potential inconsistency. The following paragraph has been inserted within the “Who will make the decision, and how long will it take?” section of each policy:
“A sample of decisions made will be regularly reviewed in order to check that they are consistent with this policy.”
- A need within the DRR policy to clarify the position of strategic partner organisations, and charities providing a public benefit which employ specialist carers.
 - This has been addressed by changing the order in which organisations appear in the table within the DRR policy, and by amending the wording in “Other information” for charities providing a public benefit from “If the work is predominantly carried out by unpaid voluntary workers for the benefit of the elderly, sick or injured, disabled or other vulnerable groups” to “If the work is primarily carried out by unpaid voluntary workers for the benefit of the elderly, sick or injured, disabled or other vulnerable groups. Paid workers are only used to provide specialised care”.