



**Melton
Borough
Council**

Discretionary Payments Policy

Key policy details

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1 Background to Discretionary Payments

The discretionary policy brings together two different types of discretionary funding:

1. Discretionary Housing Payments (DHP)
2. Discretionary Council Tax Support (DCTS)

DHP is a fund provided by Central Government annually for the council to provide additional financial assistance with housing costs to those who are entitled to Housing Benefit or the Housing Element of Universal Credit. The payment may be for ongoing help with rent or one-off housing related costs such as rent deposits.

DCTS scheme complements the main Council Tax Support Scheme and allows for a further reduction in the amount of Council Tax charged where exceptional circumstances exist. Awards are made using Section 13A(1)(c) of the Local Government Finance Act 1992, as no funding is received from central government for this, any award that can be made is often limited. You do not have to receive Council Tax Support to apply for additional help through this scheme.

2 Statement of Objectives

- 2.1 The aim of the policy is to enable our most vulnerable residents, who cannot access any other income, to sustain their home, health, family, and security.
- 2.2 The assessment of applications is part of a holistic approach to prevent homelessness and help MBC residents who are in a short-term crisis get back on track. This is achieved through the provision of additional financial support with rent or Council Tax, where such support is likely to move an applicant towards a sustainable solution.
- 2.3 The policy is aimed at those who have been most impacted by the Government's Welfare Reform Agenda.
- 2.4 In addition to considering financial assistance, applicants are signposted to advice and guidance relevant to their needs, linking them with Statutory Services and other relevant organisations. The financial support is a means through which contact and communication with the applicant can be used to assist them and their families with their longer-term wellbeing.

3 Priorities of the Discretionary Scheme

- 3.1 Many of the Welfare Reforms are conceptual and have a varied impact depending on individual circumstances, some of which are disproportionate. This policy is therefore aimed at assisting customers who are most at risk rather than those simply in need.
- 3.2 The policy offers support where individuals or families are at risk of:
- Homelessness including tenancy at risk
 - Breakdown of family cohesion / stability (including domestic violence)
 - Damage to Health
 - Loss of independence
 - Unemployment
- 3.3 To target support effectively the focus is likely to be on certain disadvantaged groups, such as, young people leaving care in the transition to adult life, people with disabilities or mental health issues.
- 3.4 The Council can use any information which they hold to administer the fund (for example to confirm eligibility or to make payments) where they are satisfied that they can lawfully use it under GDPR for administering the fund. This may depend on the types of data and ways in which it is collected.

4 Eligibility

People eligible to be considered will:

- Be a resident of a property in the Melton Borough
- Have a liability to pay housing costs and/or liable to pay the council tax.
- Experiencing financial hardship
- For DHP in receipt of Housing Benefit or the Housing Element of Universal Credit.

5 Qualifying Criteria

- 5.1 Applicants do not have an automatic right to an award. The decision is entirely at the Council's discretion.
- 5.2 Each case will be treated on its own merits having regard to relevant legislation, Department for Work and Pensions (DWP) guidance, the budget position of the schemes and the Council's duty to the public purse.
- 5.3 Assessments are approached in two ways.
1. Using a true financial assessment of income and essential outgoings, to establish.

- a. if there is a need for additional financial support, and
- b. that the support will enable the applicant to reach a long-term solution that is not reliant on discretionary payments or is the only viable long-term solution.

or

2. A health and welfare assessment based on a person's ability to cope with day-to-day financial matters aimed at alleviating mental health pressures, personal crises and difficult events.

5.4 Awards will not be made where any of the following apply.

- the situation can be resolved by some other legitimate means,
- the applicant is excluded from receiving welfare benefits based on immigration status,
- the situation arose because of benefit fraud,
- the Council deems that the person has been culpably neglectful in relation to their circumstances,
- the Council deems that an award is unlikely to assist in providing a significant and sustainable reduction in one of the risks set out in section 3 of this policy.
- the customer has failed to save money for a move where they have been receiving Housing Benefit and Universal Credit while working and living in temporary accommodation,
- the customer or customers partner has more than £2000 in capital, savings, or investments.
- where a DHP has been awarded for a rent deposit in the last 12 months.
- a request has been made for help with a rent deposit for a new address and the customer or customers partner is due to receive a deposit back from the landlord of the address they are leaving.
- Fail to follow recommendations the council have made on a previous Discretionary Payments award.

In exceptional situations, an award may be made where the policy's eligibility criterion is not met but an award would comply with the overall aims and are within the law.

This may include but is not confined to payments made under powers conferred by section 13A(1)(c) of the Local Government Finance Act 1992, which allows a billing authority to reduce the amount of Council Tax chargeable to alleviate pressure on

individuals or communities in crisis situations for example, where a disaster, such as flooding has occurred.

6 Award Amount

- 6.1 No set amount will be awarded; this is because circumstances vary considerably, and a set payment amount would not suit everyone's circumstances.
- 6.2 The award amount will be decided after an assessment of the application has taken place.

7 Application Process and Timescale

- 7.1 Only one application needs to be made to access the different types of assistance. The team administering the scheme will access whichever funds are most appropriate for the customer.
- 7.2 Applications should be made using the online application form on the council's website. Should someone not have the required skill or capacity to apply using this method the council will provide an alternative method of making an application that meet the persons needs.
- 7.3 Wherever possible, the council will link in with other council departments and trusted partners, who can signpost applicants to the scheme or make applications and recommendations on a person's behalf.
- 7.4 Where the law does not specify that an application must be made, Council Officers may identify cases where a payment would mitigate a risk and no application will be required.
- 7.5 The council expects to provide a written decision no longer than 28 days after the application is received.

8 Reconsiderations, Reviews and Appeals

- 8.1 A review of a decision or appeal can only be considered on the basis that the decision maker has not correctly applied this policy. Where an applicant is aggrieved by a decision, but the basis of the disagreement is not that the policy was incorrectly applied, there is no grounds for an appeal or review.
- 8.2 Where an applicant does not believe this policy has been applied in relation to a request for a Discretionary Council Tax Reduction, the appeals procedure is as prescribed by Section 16 of the Local Government Finance Act 1992, details of which will be included in the decision notification.
- 8.3 Where a decision is in respect of a Discretionary Housing Payment, there is no statutory right to an appeal. In the interests of fairness, the Council will operate the following internal procedure.
 - **Level One, Reconsideration:** An applicant (or their representative) can ask for an explanation of the decision at any time. They can ask for the original decision to be looked at again if they have additional information that they

believe might alter the decision or if they believe that information they have already submitted has been overlooked or misunderstood. This reconsideration will normally be dealt with by the original decision maker.

- **Level Two, Review:** If the applicant (or their representative) believes that the decision maker has not correctly applied this policy, they can ask for their concerns to be examined by a more senior officer. The second officer will look at the reasons for the decision, whether it complies with this policy and decide if any changes should be made to the decision.

A request for a reconsideration or review will not be a complaint and will therefore not follow the Council's complaint procedure.

9 Managing the Risk of Fraud

- 9.1 The Council and the Government will not accept deliberate manipulation and fraud. Any business or person caught falsifying their records or the information submitted to gain an award will face prosecution and any funding issued will be subject to clawback, as may relief paid in error.
- 9.2 The Council also reserves the right to use any details submitted by person (s) to check against national records and databases to highlight any potentially fraudulent activity.

10 Policy Review

- 10.1 This policy has been written in line with Government guidance and Local Priorities. It will be subject to dynamic review as circumstances dictate and in line with future clarifications and changes that may be announced by the Government.