

EXPLANATORY MEMORANDUM TO
THE DISCRETIONARY HOUSING PAYMENTS (GRANTS) AMENDMENT ORDER
2008

2008 No. 1167

1. This explanatory memorandum has been prepared by Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 This amendment Order removes the statutory requirement for local authorities to have their final claim for the Secretary of State's contribution towards discretionary housing payments audited. The amendments are applicable from 1st April 2006.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Background

4.1 This amendment Order is required to provide a legislative base for the revised DHP arrangements applicable from 1st April 2006.

4.2 The Order takes effect retrospectively as permitted by section 140C(4) of the Social Security Administration Act 1992. It removes the requirement that the final claim in respect of discretionary housing payments be audited.

5. Territorial Extent and Application

5.1 This instrument applies to Great Britain.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The Discretionary Housing Payments (DHP) arrangements, which came into being on 2nd July 2001, give local authorities the discretion to make payments to Housing Benefit/Council Tax Benefit recipients requiring further financial assistance with their rent or council tax. Discretionary housing payments are stand-alone and thus are not part of the HB/CTB schemes. Each local authority receives a contribution from the Secretary of State towards its DHP expenditure. The Discretionary Housing Payments (Grants) Order 2001 sets out the way in

which local authorities claim that contribution, and covers such issues as how authorities should submit claims, record keeping, audit requirements and payment of the contribution. It also sets the overall limit on expenditure at 2.5 times the Secretary of State's contribution to the relevant authority.

- 7.2 As part of the Audit Commission's strategy to help rationalise the regulatory framework, maximise the benefits to the public, and minimise the cost of regulation and compliance, they further increased in April 2006, the de-minimis and threshold levels as applied to the certification of grant claims. It was decided by the Department, because of the minimal number of DHP claims that would be audited under these arrangements, to remove the requirement for each DHP claim to be audited.
- 7.3 Under current procedures covered in the DHP Grants Order, a local authority must, by 31st May, submit a claim showing how much it has paid by way of Discretionary Housing Payments for the previous year (i.e. year ending 31st March) – this is known as the pre-audit claim. They must also, by 30th September, send in a claim certified by their auditor. This is no longer relevant and we wish to omit reference to this procedure within the Order.

Consultation

- 7.4 We have consulted with Local Authority Association during the making of this Order and no adverse comments were received.

Consolidation

- 7.5 Informal consolidation of the instrument will be included in due course in the department's "the Law Relating to Social Security" (the Blue Volume) which are available at no cost to the public on the internet at:
<http://www.dwp.gov.uk/advisers/docs/lawvols/bluevol/>

- 7.6 Guidance

Guidance will be issued to Local Authorities in Subsidy circular

8. Impact

- 8.1 A full impact assessment has not been produced for this instrument as it has no impact on the private or voluntary sectors.
- 8.2 The impact on the public sector is negligible.

9. Contact

Tara Taggart at the Department for Work and Pensions (Tel: 0207 712 2312 or e-mail: Tara.Taggart@dwp.gsi.gov.uk) can answer any queries regarding the instrument.