

**EXPLANATORY MEMORANDUM TO THE
DISCRETIONARY HOUSING PAYMENTS(GRANTS) AMENDMENT ORDER 2005
2005 No. 2052**

1. This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.
2. **Description**
 - 2.1 The Discretionary Housing Payments (Grants) Amendment Order 2005 provides that a Discretionary Housing Payment(DHP) claim by any Local Authority in England, Wales or Scotland that is less than £50,000 need not be audited. It also provides a new date by which an authority needs to submit a claim showing the amount of discretionary housing payments they have made over the relevant year.
3. **Matters of special interest to the Joint Committee on Statutory Instruments**
 - 3.1 None
4. **Legislative Background**
 - 4.1 This amendment to the Discretionary Housing Payments(Grants) Order 2001 is required for the following reasons:
 - Audit Scotland has decided that it will no longer audit claims for DHPs from local authorities where the annual sum is less than £50,000.
 - To comply with Her Majesty's Treasury's initiative to promote faster closure of accounts we need to bring forward the date for the submission of DHP claim forms.
 - 4.2 The amendment provides that a DHP claim by any authority that is less than £50,000 need not be audited by the authority's auditor. This Order also amends the date by which an authority needs to submit a claim showing the amount of DHPs they have made over the relevant year.
 - 4.3 The DHP(Grants) Order sets out the procedures by which the Secretary of State makes payments to local authorities towards DHPs under section 70 of the Child Support, Pensions and Social Security Act 2000. It covers such issues as the procedure for making claims, record keeping/information requirements, audit requirements and grant paying provisions.
5. **Extent**
 - 5.1 This Order extends to Great Britain.
6. **European Convention on Human Rights**

Not applicable

7. Policy background

- 7.1 The DHP arrangements came into being on 2 July 2001; they gave local authorities the discretion to make payments to Housing Benefit and Council Tax Benefit recipients requiring further financial assistance with their rent or council tax. Such payments are stand-alone and are not part of the Housing Benefit or Council Tax Benefit schemes.
- 7.2 In April 2004, the Audit Commission decided, as part of their strategy to rationalise the regulatory framework, maximise the benefits to the public and minimise the costs of regulation and compliance that it would no longer certify DHP claims below £50,000. The DHP(Grants) Amendment Order 2004(S.I. No 2329) made provisions for these changes to the audit arrangements, which applied to authorities in England and Wales. Audit Scotland have decided that a DHP claim by an authority in Scotland which was less than £50,000 need not be audited by the authority's auditor from 1 April 2004.
- 7.3 Under the procedures covered in the DHP Grants Order, a local authority must, by 30 June submit a claim showing how much it has paid by way of DHPs for the previous year – this is known as the pre-audit claim. For the 2005/06 claim form this deadline needs to be brought forward to the 31 May 2006. This will enable the Department for Work and Pensions to comply with Her Majesty's Treasury initiative to promote the faster closure of accounts and to bring this into line with the submission of Housing Benefit/Council Tax Benefit subsidy claims.
- 7.4 We have consulted the Local Authority Associations on these amendments and they are content with the changes.

8. Impact

- 8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.
- 8.2 The impact on the public sector is nil.

9. Contact

Robert Sneddon at the Department for Work and Pensions Tel: 0207 712 2050 or e-mail: Robert.Sneddon@dwp.gsi.gov.uk can answer any queries regarding the instrument.