

## **Discretionary Housing Payments**

### **Expectations of Copeland Borough Council**

The Discretionary Housing Payment (DHP) scheme exists to deal with situations where normal Housing Benefit does not cover all the rent due or to allow claimants to reduce the amount of their rental liability.

These expectations reflect the view of the Council in how consideration should be given to requests for DHP's. They support and underpin the principles of the Department for Work and Pensions (DWP) guidance which is available at [www.dwp.gov.uk](http://www.dwp.gov.uk)

Funding available to provide DHP's is set on an annual basis by Central Government. The Council is limited to a maximum permitted total of expenditure for each financial year.

To qualify for consideration of a claim for DHP the claimant must already qualify for some Housing Benefit or be receiving Universal Credit (UC).

Many people have difficulty paying their rent. Among these are:

- A customer whose benefit is restricted because their rent is considered too high or because they are occupying a property that the Government considers is too large for their needs.
- A customer whose benefit is reduced by deductions for non-dependants who may not contribute adequately to cover for those deductions.
- A customer whose benefit is reduced by the taper for excess income.
- A customer who has other calls on their income, such as additional expenses or outstanding debts, which they prioritise ahead of rent payments.
- A customer who has general difficulty managing their income.
- A customer or their partner, who is returning to work after a long period of unemployment and who has difficulty in managing their finances during the transition from benefit to a stable in-work income, including awaiting the award of Working Tax Credit.
- A customer moving onto UC from housing benefit, who is experiencing some difficulty in managing their finances during the transition period and they are required to manage their rental payments.
- A customer who has started to receive UC and is having difficulty managing their finances initially, due to differences in the frequency of UC payments and their rent payment dates.
- A customer who is in affordable housing but who is in danger of becoming homeless.

## Focus

The amount of DHP available will not make up for the amount of money that has been removed from the Welfare System by the reforms. In national terms the increase in DHP funding provided by the Government equates to 10% of the funding reduction from locally administered Housing Benefits. It is intended to protect only the most vulnerable of those adversely affected by the reforms and identifying such customers is a responsibility of Councils. In addition, any decisions on requests should not undermine the policy intentions of the Welfare Reform agenda.

Awards of DHP should aim to enable people to secure, or retain and pay for appropriate and sustainable accommodation when they are experiencing temporary difficulties. DHP's can also be used to address circumstances not covered by the benefit system to reduce the risk of homelessness and support the stability of families and communities.

The Council does not wish to see DHP used in cases that support ongoing irresponsible behaviour. This is distinct from taking a judgemental stance in cases where the customer's financial predicament is as a result of their past irresponsible actions.

The level and extent of the welfare reforms are such that in themselves they cannot be considered to be uncommon or in any way unique. The changes to housing benefit and the ongoing impact that these reductions will have on the housing costs element of UC cannot themselves be treated as a unique or unusual threat to the maintenance of a tenancy on a long term basis.

The Council therefore expects payments to be made in unusual or extreme circumstances where additional help with the current rent will have a significant effect in alleviating hardship, reducing the risk of homelessness or assisting customers to overcome difficulties stemming from a move from long term benefit dependence into work. Examples may include:

- Circumstances which are unusual / exceptional among customers in a particular tenure
- Costs that are beyond their control and do not arise through the actions or failures of others.
- Housing choices which are forced on the customer by urgency or significant health requirements.
- Extreme and temporary situations which make it difficult to move in the short term or where decisions had to be made in an emergency
- Imminent loss of the home where meeting some or the entire shortfall between entitlement to benefit and contractual rent will prevent the customer becoming homeless. In cases such as these the following regard should be given to;
  - The reasons for the debts
  - The active involvement of other advisory services and the customers' participation in acting on advice given to better manage their financial position.
  - Whether the award of DHP will prevent homelessness.

## **DHP as part of a package of remedies**

DHP in itself may not in many cases provide a total or sustainable solution and consideration should be given towards its role in a package of solutions. These can include working with other agencies to increase income or reduce outgoings.

### **The Council's expectations of the customer.**

The Council expects openness, transparency and honesty from customers who seek to claim DHP.

In some cases the Council may expect the customer to seek support and advice from money advisors, employment advisors, housing advisors, welfare advisors or health / social workers to assist in improving their current and/or ongoing financial position.

The Council may in appropriate circumstances expect the customer to take active steps to secure lower cost or smaller housing options.

## **Payments and awards**

DHP is expected to meet current needs rather than past debts. However, retrospective payments may be appropriate to reduce rent arrears to avert eviction where there are grounds for confidence that this will allow the tenant to maintain the tenancy in the longer term.

Awards are expected to last for a fixed period, of between four weeks and 26 weeks. They may take into account the need to allow the claimant a short future period to adjust or to take into account milestones in the family's life like significant exams or the end of a period of convalescence.

Given the limited scope of the scheme and the funding available, awards are expected to be at a modest level other than for very short periods in extreme circumstances. Awards to claimants with high rents will usually be below the maximum possible so that the claimant makes some contribution to the shortfall.

The Council expects to give higher priority to assisting people to retain an established suitably sized home for the customer's needs and to relieving temporary difficulties where the tenancy is likely to be sustainable in the longer term.

A lower priority will be given to assisting people who take on housing costs which because of their nature, size, location or price of the property are unaffordable and unsustainable from the start.

The Council recognises the difficulties faced by absent parents who regularly look after children living with the other parent or who hope to make such arrangements. The benefit system does not provide for this fairly common situation. The Council will therefore only rarely be able to assist with DHP, mainly where existing arrangements are threatened by difficulties that are likely to be short-term.

The Council also recognises the difficulties faced by single women and couples expecting their first child who find two-bedroom accommodation suitable for their new family while still assessed on the one-bedroom or shared accommodation rate. In such

cases we would only expect to provide discretionary help for a short period of a few weeks, before the baby is due.

The Council recognises that sharp increases in the level of non-dependant deductions are likely to cause difficulties for some claimants, although this situation appears to be improved within UC, but affirms its view that it should normally only make discretionary payments where the non-dependant deduction is unreasonable and not where the non-dependant is unwilling to pay or to cooperate in assessing a lower contribution.

Where a request for payments has been refused, it is not expected that repeated requests will be considered unless the customer can demonstrate that the situation has worsened significantly or a substantial period of time has elapsed.

DHP is normally expected to be paid with a tenant's housing benefit.

The Council recognises that there will be circumstances in which Discretionary Housing Payments may be made other than as set out above.

### **Criteria for Assessing DHP Claims**

The gateway to the DHP process will apply to applicants who are:

- i. In receipt of Housing Benefit
- ii. Experiencing extreme financial hardship

The following households will be considered as priority within the assessment process:

1. Disabled people living in accommodation that has been substantially adapted for their needs, including new builds.
2. Prevention of repeat homelessness within a three year period
3. Households with members in a key stage of education or training (within 6 months leading up to completion of exams or training courses)
4. Help those who are actively trying to access employment in a specific area, whether an internship, apprenticeship or paid role. Proof of applications will need to be provided.
5. Households in receipt of or providing primary care to someone in a specific area, providing they're in receipt of Carer's Allowance
6. Extreme and temporary situations which make it difficult to move in the short term, or where decisions have to be made in an emergency, such as:
  - households with a pregnant member
  - households with children within 6 months of reaching 10 years of age

As it is expected that customers shall utilise other available resources, a series of questions have been added to the front of the DHP application form, appended to this document.

## **Process for Assessing Applications**

1. Applications will be sent in the first instance to the Senior Appeals Officer or nominated deputy, who shall make an initial determination. A Housing Options Advisor, or nominated colleague, shall have a weekly meeting with the Senior Appeals Officer to discuss applications already agreed and any which require a second opinion.
2. The Revenues & Benefits Manager and Senior Housing Options Advisor shall meet monthly to review applications and shall provide a monitoring report for the Finance Manager to include: budgetary, appeals and trends information.

## **Exclusions**

Regulations provide that the Council cannot make an award of DHP if the customer is not in receipt of Housing Benefit or UC. DHP cannot be awarded to accommodate the cost of any services which are not eligible for help under the Housing Benefit scheme such as ineligible service charges, water & sewerage, fuel and heating charges. It is not normally expected that Discretionary Housing Payments will be made because of;

- significant overcharging by a landlord;
- the ordinary impact of rent restriction either resulting from a Rent Officer decision or the use of Local Housing Allowance rates;
- the effect of the Rent Officer's local reference rents and Local Housing Allowance rates putting accommodation in parts of the district beyond the means of many customers;
- the preference for a size or type of accommodation or location which is not strictly necessary for pressing reasons;
- the failure of non-dependants to make up the deduction attributable to them when they have the means to do so;
- the inadequacy of benefits for disability to cover the costs of the disability towards which they are paid;
- the unwillingness of the customer to use other available resources or to apply for other more appropriate forms of assistance; or a move from social sector accommodation to unaffordable private accommodation, other than for the most compelling of reasons

## **Appeals**

This is a discretionary scheme without rigid rules for entitlement. There is no formal right to appeal to change our decision on a Discretionary Housing Payment.

We will look at decisions again where the claimant is not satisfied and they ask us within a reasonable time (usually within one month of our decision). The claimant will need to tell us why they are not satisfied, whether anything has changed or if there's extra information they did not give us originally.

Appeals or disputes shall be considered by the Revenues & Benefits Manager and Senior Housing Options Advisor, during their monthly "panel" meeting and their decision shall be final.