

## **Strategic Housing Panel**

### **Discretionary Housing Payments**

Executive Member – Councillor Geoff Garrity  
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Summary: Copeland Borough Council was awarded £94,263.00 from DCLG to allocate to tenants under the Discretionary Housing Payment scheme during 2013/14. This report will inform members how that funding has been distributed and is for information only.

## **INTRODUCTION**

Copeland Borough Council was awarded £94,263.00 to fund Discretionary Housing Payments (DHP) to tenants during the year 2013/14. The fund is held by the revenue and benefits team and applications are made directly to them.

## **BACKGROUND**

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.

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.

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 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.

### **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 customers' 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.

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

### **Summary of spend 2013/14**

The total spend was £94,149.60 meaning there was an under spend of £113.40; however this did not take into account payments of approximately £3600 that had been committed for the 2013/14 financial year but would not pay out until April 2014. These payments will now be included in the 2014/15 spend.

For 2013/14 **367** Discretionary Housing Payment awards were made, for the following reasons:

	<b>Number of awards</b>	<b>£</b>
<b>Removal of Spare Room Subsidy</b>	342	£86,046.42
<b>LHA restrictions</b>	23	£6,810.57
<b>Other</b>	2	£1,292.61
<b>Total</b>	<b>367</b>	<b>£94,149.60</b>

Against 367 successful awards there were 196 refusals, which were mainly because the claimant was considered to have sufficient income to pay any rent shortfall or because they did not supply sufficient evidence for an award to be made. Awards were therefore made in 65% of cases.

Funding for 2014/15 has increased to **£171,911** and it is anticipated that the full amount will be spent.