

Appendix D

Additional Information: Discretionary Housing Payments Policy 2014/15

The Discretionary Housing Payment scheme provides a small amount of funding to deal with anomalies and hardship in situations where normal Housing Benefit does not cover all the rent. It can also help with certain lump sum costs associated with a housing need such as a deposit.

To qualify for some consideration for assistance under this scheme the customer must already qualify for some Housing Benefit. ❶

Since its inception, the Council has used Discretionary Housing Payment funding primarily to make short term awards to ease transitions and to give claimants time to seek resolution of their difficulties. From April 2013 the government is providing substantial extra funding to ease the introduction of the household benefit cap but also to meet *continuing* and unavoidable needs resulting from the application of size criteria in the social rented sector rather than catering for these in the Housing Benefit scheme itself.

Many people have difficulty paying their rent. Among these are

- those whose benefit is restricted because their rent is considered too high;
- those whose benefit is restricted because their home is considered too large under the government's size criteria
- those whose benefit is reduced by deductions for non-dependants who may not contribute adequately to cover those deductions;
- those whose benefit is reduced by the taper for excess income;
- those who for all sorts of reasons have other calls on their income (additional expenses or outstanding debts) which they prioritise ahead of rent;
- those who have general difficulty managing the income they have, including those subject to the household benefit cap;
- those who are returning to work after a long period of unemployment who have difficulty in managing finances during the transition from benefit to a stable in-work income when the continuing level of net earnings is known and any Working Tax Credit entitlement is secured; and
- those who are in affordable housing but at risk of becoming homeless due to difficulty in meeting their full rent liability because of severe financial difficulties resulting from the effects of the current economic climate or their attempts to take up paid employment.

Awards of Discretionary Housing Payments should focus on enabling people to secure or retain and pay for appropriate and sustainable accommodation through temporary difficulties or in anomalous circumstances not addressed by the benefit system. This is in order to reduce the risk of homelessness and support the stability of families and communities.

Discretionary Housing Payments should not seek to undermine the purpose and nature of the Housing Benefit scheme, nor support irresponsible behaviour, nor should they assist in situations so common that a consistent approach to such payments would involve expenditure above the maximum permissible.

The Council therefore expects payments to be made in unusual or special circumstances where additional help with current rent will have a significant effect in alleviating hardship, reducing the risk of homelessness or alleviating difficulties that may be experienced in the transition from long term benefit dependence into work, for example:

- Their home has been adapted for their disablement needs
- Due to the nature of their disability they cannot share a bedroom with their partner
- There is an issue related to their disability which makes it difficult to move to a smaller or cheaper property
- They or their partner is a foster carer, they have more bedrooms than the Housing Benefit rules allow and they need a bedroom for each foster child
- They are fleeing domestic violence.
- Families with children at a critical point in their education;
- Young people leaving local authority care;
- Staying Put Carers with children in care and care leavers respectively;
- Families with kinship care arrangements;
- Families with a child in temporary care who is expected to return home;
- Families with a social service intervention or are part of a Troubled Family Programme;
- Where some one in the household is expecting a baby/to adopt a child and this future change will increase the level of bedrooms Housing Benefit or Universal Credit allows;
- Ex-homeless people being supported to settle in the community;
- People threatened with homelessness;
- People with health or medical problems, particularly where they need to access medical services or support not available elsewhere;
- People with medical conditions who receive informal care which would not be available in a new area;
- Single people under 35 who cannot live in shared accommodation due to an illness or other issue such as HIV;
- Elderly and frail people who have lived in their home for a long time and would find it difficult to establish support networks in a new area;
- People who live near their jobs because they work unsocial hours/split shifts/inadequate public transport;
- People who as a consequence of a move have additional travel to work costs;
- People who need to move to cheaper/smaller accommodation and need help with a rent deposit/ rent in advance for their new home or lump sum costs associated with the move i.e. removals;

- People who are affected by reductions in Housing Benefit entitlement following changes to Local Housing Allowance rates from April 2011 and need additional time to find cheaper accommodation;
- People who are affected by reductions in Housing Benefit following the April 2013 under-occupancy rules in social housing properties and are actively working with their housing provider to find a smaller home or need additional time to adjust to the change;
- People affected by the Benefit Cap that cannot immediately move into work because of complex challenges such as child protection etc;
- People, who are not in the aforementioned, however have special circumstances that are such that warrants DHP.

Awards

Awards are expected to be made to meet current needs rather than past debts. No significant degree of payment for past periods is anticipated as requests for payment should be made promptly within the benefit period of the main benefit to which they relate and within a reasonable time of knowing the outcome of a claim for the main benefit. However, retrospective payments may be appropriate to reduce rent arrears to avert eviction where there are grounds for confidence that this will enable the claimant to deal effectively with their remaining arrears in the longer term.

Awards are expected to last for a fixed period, of between four weeks and fifty two weeks depending on the individual circumstances.

Awards 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.

Certain groups will have a higher priority. These are:

- They or a member of their household is disabled, they have more bedrooms than the Housing Benefit/ Universal Credit rules allow and
 - a) Their home has been adapted for their disablement needs or
 - b) Due to the nature of their disability they cannot share a bedroom with their partner or
 - c) There is an issue related to their disability which makes it difficult to move to a smaller or cheaper property;

(By disabled we mean under the Equality Act 2010 – if you have a physical or mental impairment that has a “substantial” and “long-term” negative affect on your ability to do normal daily activities.)

- They or their partner is a foster carer, they have more bedrooms than the Housing Benefit rules allow and they need a bedroom for each foster child. (This includes the need for bedrooms for up to 52 weeks in-between

placements and up to 52 weeks for newly approved foster carers awaiting their first placements);

- They are fleeing domestic violence.

Disabled people as described in a), b) and c) above may be awarded DHP for an indefinite period.

Decisions on the level and duration of awards will also take account of what is affordable within the agreed budget, bearing in mind that the level of grant available is decided nationally by DWP rather than on the basis of any local assessment of need.

The Council recognises that welfare reform changes greatly increase the number of claimants who face a reduction of Housing Benefit that will be of relatively short duration such that it is unreasonable to expect them to move. This will most commonly be

- Where a social sector tenant is affected by the size criteria but will shortly reach the age for state Pension Credit and so become exempt from the restriction
- Where at the start of a size restriction, an imminent birthday of a family member will increase the room requirement under the size criteria
- Where a single woman or couple expecting their first child live in two-bedroom accommodation suitable for their new family while still assessed on the one bedroom or shared accommodation rate. (This would apply where the family were already in social sector accommodation but newly affected by the size criteria or where private tenants move to larger accommodation relatively late in the pregnancy.)
- Where a single private tenant in one-bedroom accommodation is restricted to the shared room rate of Local Housing Allowance but will shortly be 35 and thus exempt from it.

The Council recognises that sharp increases in the level of non-dependant deductions are likely to cause difficulties for some claimants but reaffirms its view that it should normally only make discretionary payments where the non-dependant deduction is anomalous or unreasonable and not where the non-dependant is unwilling to pay or to cooperate in assessing a lower contribution.

In making decisions on discretionary payments, the Council expects also to be mindful of incentives to responsible behaviour, for example in the choice of a home or engagement in activities to address worklessness, debt or problematic behaviour.

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.

Discretionary Housing Payments are normally expected to be credited to rent accounts or paid with a private tenant's rent allowance.

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

Exclusions

Regulations provide that the Council can not make an award of Discretionary Housing Payment if the customer is not in receipt of an award of Housing Benefit.

A Discretionary Housing Payment can not be made 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 Payment payments will be made because of

- significant overcharging by a landlord;
- 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 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
- a move to private rented accommodation where it should be clear to the claimant that the property is too large or unaffordable

DHP can cover the cost of rent deposits, advance rent, unavoidable over-lap of rent on two homes, removal costs and other lump sums associated to assist a person to move to affordable accommodation. This can be particularly helpful in assisting people to move to smaller or cheaper accommodation.

Universal Credit

When Universal Credit replaces Housing Benefit, the Council will continue to have powers to make Discretionary Housing Payments to help with housing costs and expects to receive government funding for this. Payments can only be made towards housing costs but it is not clear whether awards would be limited by reference to the amount of housing costs covered by Universal Credit.

The Council does not expect to use Discretionary Housing Payments as a general supplement to the level of Universal Credit paid but would make payments in line with its present policy where the Universal Credit housing

element was restricted below a claimant's actual rent on the basis of Local Housing Allowance rates or size criteria or where Universal Credit including a housing element was restricted by the household benefit cap.

Reporting and reviewing process

Discretionary Housing Payment expenditure and associated grant income are recorded in distinct cost elements in a separate cost centre within the cost centre group for benefit expenditure and thus subject to routine budget monitoring.

The Chief Finance Officer, in compliance with the Council's delegated responsibilities, shall review this document periodically, and with the Deputy Leader and Executive Member for Corporate Resources, amend it as appropriate.

Any recommendations for amendment must have due regard for any

- Changes in legislation;
- Changes to Discretionary Housing Payment funding; and
- Alignment with the Council's strategies and priorities.

❶ All references to Housing Benefit throughout this document also includes people in receipt of any rent housing element of Universal Credit.