

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.

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

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 extreme 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:

- Circumstances unusual/exceptional among customers in that tenure;
- Costs that are beyond their control and do not arise through the actions or failures of others;
- Housing choices which are forced on or required by the customer because of urgency, care needs 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 all of the current shortfall between the benefit and eligible rent will prevent the customer from becoming homeless. However in considering awards under this provision the Council will have regard to:
 - the reasons that the debts arose.
 - the involvement of other advisory services engaged in providing assistance to the customer to manage debt in order that any arrangement to accommodate agreements for re-payment of debt might be realistically obtained and sustained.
 - whether any proposed Discretionary Housing Payment award will have the desired effect of preventing the customer from becoming homeless.
 - the consequences of any potential increased demand on the fund in the event that the award was not made (such as having to move from affordable accommodation into highly priced private sector accommodation with reduced security of tenure).
 - temporary hardship and difficulties which may arise during the transition for those who are coming off long term benefits into work.

In addition, in the context of national welfare reforms that are reducing levels of Housing Benefit, the Council expects to make payments to mitigate or delay the effects of those changes in cases of particular difficulty to ease the transition. In particular, the Council expects to make payments to mitigate the most severe effects of the household benefit cap where other solutions are not practical in the short term.

The Council may also provide temporary assistance in the early months of a tenancy where a claimant has moved from homelessness provision and additional help is likely to increase the chances that the claimant will sustain a stable and secure home

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 typically 26 weeks and exceptionally up to 52 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. 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 recognises that a small proportion of awards will need to continue for longer periods, particularly where the current home has been significantly adapted to meet the needs of a family member with substantial and continuing disability.

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 expects to give higher priority to assisting people (and particularly families with children of school age given the importance of stability in their education) to retain an established home and to relieving temporary difficulties where the arrangement is likely to be sustainable longer term; and low priority to assisting people who take on housing costs which because of the nature, location or price of the property, are unaffordable and unsustainable from the start.

The Council recognises that some social sector tenants affected by the size criteria after April 2013 will live in properties that have been substantially adapted structurally to meet needs arising from severe and persisting disability or because of such disability will depend on the care and support of relatives and friends in the immediate vicinity. If it is unreasonable to expect the claimant to move in the short to medium term, awards of Discretionary Housing Payment, if appropriate, may be of much longer duration than usually expected.

In addition, where resources allow, the Council may also assist other social sector tenants affected by the size criteria if it would be beneficial for them to stay in the property because of the care and support they provide in, or other recognised contribution to, the immediate community.

Also, some social sector tenants will see a reduction in their Housing Benefit because of the size criteria because those criteria take no account of the accommodation needs of children they foster. The Council recognises that it may need to help with awards of Discretionary Housing Payment for a continuing period.

This could also be the case while a person approved to provide foster care is waiting for a child to be placed with them.

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

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 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 city 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 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
- a move to private rented accommodation where it should be clear to the claimant that the property is too large or unaffordable

The Council is aware of calls for discretionary funding to cover the cost of deposits and advance rent to assist a person to move to affordable accommodation.

Given the limited nature of the funding available and the risk of landlords levying such costs where they may presently waive them, the Council would not normally expect to help with items of this sort.

It is also possible to use Discretionary Housing Payments to help with removal costs and other expenses associated with moving. The limited funding available makes it unlikely that the Council can afford to help in this way given its priority of assisting people to remain in existing homes where appropriate but will keep this under review in the context of awards and expenditure, particularly for situations where it would release larger social sector 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.