

**EASTBOURNE BOROUGH COUNCIL BENEFITS
SERVICE**

Discretionary Housing Payments (DHP) Policy

1. Background

1.1 This scheme began on 2nd July 2001. The regulations covering DHP's are The Discretionary Financial Assistance Regulations 2001.

1.2 There are no set criteria for granting DHP. It is at the council's discretion. There is no need for the tenants circumstances to be exceptional, nor does there have to be hardship.

1.3 The purpose of DHP is to give additional help with housing costs or where there is a shortfall between benefit entitlement and liability. However, it is not a payment of Housing Benefit (HB) or Universal Credit (UC) and there are no appeal rights to a Social Security Tribunal.

1.4 It can be used to provide assistance with a deposit or rent in advance for a prospective new property, and other lump sum costs associated with a housing need such as removal costs via a one-off lump sum payment. Also, following welfare reforms, the fund has been increased to enable a DHP to be awarded for help with:

- The benefit cap
- Reductions due to size criteria in the social rented sector
- Reductions in local housing allowance

1.5 To claim it there must be an entitlement to HB or UC and the person must have a rental liability.

1.6 It can not be paid to cover:

- Ineligible service charges
- Increases in rent due to outstanding rent arrears
- Certain sanctions and reductions in benefit, e.g reductions in Income Support or Jobseeker's Allowance

1.7 Each year the Department for Work and Pensions (DWP) sets an overall limit that Local Authorities (LAs) can spend on DHPs. This amount is made up of a government contribution (40%), plus an additional sum that the authority may spend out of its own funds.

1.8 For 2013/14 the total DHP fund is £256,602. This is made up of several elements. In addition to funding for standard DHP claims, further funding has been granted for those affected by changes to the Local Housing Allowance, size criteria and the benefit cap. While the fund does not have to specifically be awarded in accordance with the breakdown of how it has been granted, and the Local Authority has discretion as to which claimants will receive

payments, priority will be given to those affected by the changes in benefit legislation for which the extra funding has been granted for the year 2013/14.

- 1.9 It is important that the government contribution is used only for DHP payments. LAs are not able to keep any balance remaining if their DHP expenditure for a year comes to less than the government contribution. The Council will actively aim to maximise the use of this budget.

2. Policy

- 2.1 The aims of the policy are:
 - To help people to secure suitable accommodation
 - To help people retain suitable accommodation
 - To combat homelessness
- 2.2 Priority will be given to applications from:
 - People affected by the Spare Room Subsidy who are severely disabled and live in significantly adapted accommodation
 - People affected by the Benefit Cap, but consideration will be given to the level of reduction in benefit and the likelihood of the person being able to fund the gap from other sources
 - People at immediate risk of losing their home
- 2.3 The Council will promote the DHP scheme.
- 2.4 The Council will liaise with Housing Needs, BHT Eastbourne Advice, local Citizen Advice Bureaux (CAB), and other voluntary organisations to promote the scheme by providing them with information.
- 2.5 Details of where to seek advice will be provided with all benefit decision letters.
- 2.6 The Council will promote this scheme with local private landlord associations by providing information leaflets.
- 2.7 There is no restriction on the numbers of people who will be able to claim. However, once the budget has been exhausted no further awards will be made irrespective of the circumstances of the claimant.
- 2.8 The budget will be monitored by the Operational Manager (Benefits).
- 2.9 Where we have information we will take the initiative to provide help. Staff will insert a DHP application in with notifications to claimants who may be able to claim.
- 2.10 We will use the DHP scheme to prevent homelessness where we can.

- 2.11 We will have an information leaflet for DHP on display at our public enquiry counter.
- 2.12 All Benefit and front line staff, including Housing and Council Tax, will be aware of scheme and able to give appropriate advice.
- 2.13 In order that claims are considered on an equal basis claimants requesting a DHP will be asked to complete a claim form. Help in completing the claim form can be given by Brighton Housing Trust, Eastbourne Advice, CAB and other voluntary organisations.
- 2.14 We will determine if the applicant has any special circumstances – e.g. single parent, disabled unable to climb stairs, under threat of violence, children at local school, is a foster carer, significantly adapted accommodation etc.
- 2.15 We will determine whether the applicant has tried to negotiate a lower rent with a landlord where applicable.
- 2.16 We will compare expenditure costs with similar properties and family size if possible. Certain items of expenditure may be deemed as not essential, for example Sky/Virgin television packages.
- 2.17 In addition, we may require claimants to re-negotiate repayments on loans or credit cards to give them more disposable income.
- 2.18 A claimant who has income in excess of what we deem necessary is less likely to get an award. Where that excess income is greater than the difference between the housing benefit they get and the rent they have to pay we will not make an award.
- 2.19 If the shortfall is so high that only an unreasonable level of payment would alleviate the financial hardship – we will consider other avenues such as referring to advice agencies as well as making a limited award.
- 2.20 The amounts will be paid for set periods and not be open ended.
- 2.21 We will consider making a tapered award. For example, 100% of the shortfall for three months, 50% for two months and 25% for one month. This will give claimants the opportunity to adjust their expenditure over a number of months and not face a situation where overnight they go from the shortfall being fully met to one where no assistance is given.
- 2.22 Awards will be set at a weekly amount, unless a one-off payment is granted.
- 2.23 For additional rent payments this will usually (but not always) be given to allow the claimant time to find other accommodation.
- 2.24 For additional rent payments awarded to help cover shortfalls in HB or UC arising from the introduction of the Spare Room Subsidy (Bedroom Tax) reductions, the weekly payment may reduce over the course of the award. Awards made in this way will be designed

to help give time for claimants to manage a reduction in their income and so remain in their current home or move to one that does not make them liable for the Spare Room Subsidy (Bedroom Tax) reduction.

2.25 When an award period comes to an end the claimant will be required to reapply for a DHP and their circumstances will be reviewed.

2.26 If an award of DHP is made due to a Valuation Office Agency restriction or Local Housing Allowance restriction the decision letter will advise that the award has been made to provide them time to find more affordable accommodation. We will encourage claimants to consider if an appeal against the Valuation Office Agency decision is appropriate, and if that decision is considered to have been made incorrectly the Local Authority will send a request for a re-determination/substitute decision be made.

2.27 All decisions will be taken within one month of receiving a request. In reality, recognising the importance of a decision to the claimant, we will endeavour to make a decision within one week of receiving the application.

2.28 In order for an applicant to qualify for a payment:

- the HB must have been calculated under the maximum rent rules
- there must be a shortfall between the benefit payable and eligible rent (as defined in Regulation 12(1) of the Housing Benefit Regulations 2006) for ongoing weekly payments, one-off payments can be awarded, for example a deposit, where there is no shortfall
- there must be some HB payable
- following the introduction of UC LA's will have to consider claims from people who are not receiving HB. Claimants receiving UC will not receive a specific amount towards housing costs, therefore the LA can decide on the DHP payable as long as it does not exceed the weekly eligible rent.

2.29 Factors that we will take into account could be:

- The extent of the shortfall, including whether the claimant has any capital or disregarded income which can be used to meet it, or whether anyone else is able and willing to help to meet it
- Is there a real risk of eviction because of the shortfall or will the landlord accept a reduced payment?
- Has the claimant recently taken up the tenancy?
- Is there a guarantor for the rent?

- What steps has the claimant taken to alleviate the problem?
- Is there cheaper or smaller accommodation available in the locality to which the claimant can move?
- Has the claimant applied or are they willing to apply to their current or another landlord for a smaller or cheaper property?
- Does the claimant or anyone in the household suffer from a health problem illness or disability which means that the choice of housing is restricted either temporarily or permanently? Has the property been significantly adapted?
- Does the claimant have other debts to pay, which make meeting the shortfall more difficult? (If these debts include loans, should the claimant have taken in to account that repaying them could affect their ability to pay their rent?)
- Does the claimant or anyone in the household have any unusual or unusually large expenses which make it harder than normal for the claimant to meet the shortfall (e.g. frequent travel to hospital)?
- Has there been a change in circumstances, which makes it more difficult to meet the shortfall?
- Could the claimant reduce other outgoings and thus relieve the hardship them selves?
- Would children's schooling be affected if the family had to move?
- Is the claimant expecting a baby which would affect the LHA rate or under-occupation?
- Is the claimant fleeing domestic violence?
- Is the claimant a foster carer or have they applied to become a foster carer. Do they have kinship arrangements?
- Is a child in temporary care but expected to return?
- It is reasonable to look at the claimants spending. We would ask BHT Eastbourne Advice or CAB to do this independently. (We would not expect claimants to reduce expenditure in these areas unless expenditure was unreasonably high)
- It may be reasonable to expect expenditure to be reduced on non-essential items (e.g. mobile phones, satellite

television other than freeview channels, running a car, entertainment).

- Unavoidable costs, such as fares to work, should be taken in to account. This includes people who have had to move due to welfare reforms.
- Disability Living Allowance (care and mobility) and Personal Independence Payment are to be included as an income. However, as the help is to cover extra costs of the disability careful consideration should be given to effectively disregard these by including equivalent amounts in the allowable expenditure section.

3. Administration of Claims

- 3.1 There must be a claim for a DHP before an LA can consider making an award. This would normally be done by completing the DHP application form but can be made by telephone or electronically if a form cannot be completed.
- 3.2 These are routed to the DHP tray and processed by the Appeals & Support Team Leader, who may seek further information or proof. This should be provided within one month or a period that has been agreed with the claimant (as there is no statutory limit).
- 3.3 If the claimant fails to provide the information requested they will be written to advising that unless they contact us within 14 days the application will be treated as withdrawn.
- 3.4 When a claim is approved the claimant will be informed of the period and the amount. Details of the advice services will be provided.
- 3.5 The following must be entered on the DHP budget monitoring spreadsheet
 - Reference number
 - Date application received
 - Date application processed
 - Amount awarded
 - Confirmation of the reason for the award: (i) to support claimants affected by benefit cap, (ii) to support claimants affected by social sector size criteria, (iii) to support claimants affected by LHA reforms, (iv) any other reason
- 3.6 When a claim is not approved the claimant will be informed and given the opportunity to ask us to reconsider. Details of the advice services will be provided.
- 3.7 There are no rules on backdating and each claim should be looked on its own merits when deciding whether to backdate or not. The LA has a duty to act consistently.

3.8 Overpayments of DHP's are to be recovered if it is as a result of misrepresentation or failure to disclose material fact. Overpayments cannot be recovered from ongoing HB or UC. An invoice will need to be sent for any recoverable overpayment that arises.

4. Reconsidering Decisions

4.1 When we are asked to reconsider a decision the case is passed to the Operational Manager (Benefits).

4.2 The Operational Manager (Benefits) will review the reasons for the original decision and take in to account any new information supplied. The claimant will then be informed of the new decision within 10 days, and details of the advice services will be provided.

5. Repeat Claims

5.1 When a claim is granted, the claimant can re-apply at the end of the set period There is no automatic extension of payments.

5.2 Consideration must be given to what the claimant has done to help themselves e.g. seeking cheaper accommodation, negotiating a cheaper rent, seeking advice on money management.

5.3 Where the claimant could have taken action, but has failed to do so, then it is less likely that there will be a positive decision to pay a repeat period of DHP.

5.4 An option could be to grant it at a lower rate, and in the notification include a clear message that they are expected to take action themselves to reduce expenditure before the new payment period runs out.

5.5 In cases where the claimant is unable to reduce expenditure, and circumstances remain the same (or worse), generally the decision would be to continue making payments as long as the budget was available.

6. Application Form

6.1 The council will continue to use its current DHP application form.

7. Monitoring and Review

7.1 Monitoring of the number of applications received, the number of awards made and refused and the amount awarded will take place on a monthly basis.

7.2 The policy will be reviewed annually to determine if it has met its objectives.