

## **UTTLESFORD DISTRICT COUNCIL**

### **DISCRETIONARY HOUSING PAYMENTS POLICY**

**APPLIES WITH EFFECT FROM 1 APRIL 2013**

#### **INTRODUCTION**

A Discretionary Housing Payment (DHP) is an additional payment awarded by local authorities to top up the difference between the Housing Benefit (HB) awarded and the actual rental liability to help prevent benefit customers from losing their homes or falling into financial difficulty with the payments. This top up may be part or all of the difference.

The DHP scheme is funded by the Government in the form of a grant which is given to local authorities to provide claimants with further financial help if the local authority considers that additional help with housing costs is needed, over and above their Housing Benefit.

Every year the Government allocates a fund to each local authority. Once an individual local authority's DHP budget has been spent, no more funding will be awarded until the next financial year.

#### **POLICY STATEMENT**

Uttlesford District Council's policy is to use DHP to minimise homelessness and/or extreme hardship arising from a household's inability to pay their rent as a result of unforeseen circumstances outside of the household's control.

To qualify for DHP support there has to be evidence that the household is taking reasonable steps to improve its ability to meet its financial commitments e.g. receive debt counselling, moving to smaller accommodation.

#### **SCHEME ADMINISTRATION**

The scheme is administered by the Benefits Service within the Council.

The Benefits Service will ensure that the applicant is being awarded the correct amount of Housing Benefit based on their income, capital and circumstances before a decision regarding a DHP is made.

They will also refer the applicant to the Department of Works and Pensions, HMRC or other government bodies to establish if there are any further benefits or incomes which would increase their income.

We will also pass on information to our Revenues Service to make a decision on any exceptional hardship payment that the applicant may be entitled to for his/her Council Tax.

## HOW TO APPLY

An application for DHP will normally only be accepted in writing using the UDC DHP Application form and should be accompanied by evidence in support of the claim.

Forms can be obtained by request from the Benefit office in Saffron Walden in writing or by e mail to [benefits@uttlesford.gov.uk](mailto:benefits@uttlesford.gov.uk).

Applications will not be accepted in any other format.

Any award of DHP will commence from the Monday following the receipt of the DHP application form or from the date of first contact (verbally or in writing) asking for DHP assistance.

## WHO CAN CLAIM?

Before awarding a DHP it must be established that the claimant is entitled to Housing Benefit and/or Universal Credit and that he or she requires further financial assistance with housing costs.

DHP will only be awarded if one or more of the following applies

- a) A recent significant life change event affecting the household's ability to pay its rent
- b) Direct adverse impact on the household arising from welfare reforms taking effect on 1 April 2013.
- c) Direct evidence of homelessness risk e.g. eviction notice served by landlord
- d) Evidence of other agency involvement in supporting the family e.g. Social Services
- e) Applicant already registered for and awaiting suitable social housing tenancy.

In most cases it will be the person entitled to Housing Benefit who will claim. However, the Council will also accept a claim from someone acting on behalf of the person concerned, such as an appointee.

Whilst every application will be considered on its merits, in general, the award of a DHP will be based on housing priority need. This will mean that those with highest priority will be more likely to receive help via a DHP. To assist local authorities in making these difficult decisions as to who can be awarded a DHP, UDC has set the following guidance in place.

Priority will be given with consideration to the following:-

Presence of vulnerable children in the household e.g. disabled  
Late stages of pregnancy  
Children approaching GCSE and A Level exams.  
Medical treatment that cannot be easily obtained elsewhere  
Social Services Involvement  
Ability to retain existing employment  
Those affected by the Social Size Housing Criteria.  
Those affected by the Benefit cap.

These factors will be considered equally to persons in need of housing and to existing benefit claimants in danger of losing their homes.

The new Social Size Housing regulations that came into place on 1 April 2013 mean that some households will be deemed as under accommodated. A DHP may be made available to help make up all or part of the difference between the Housing Benefit award and the eligible rent due.

The above criteria will be looked at together with the household's ability to make up the difference themselves and will also be dependant on the income of the household.

UDC benefits will liaise with UDC Housing department and/or Social Landlords to obtain information to enable them to make a decision regarding any award of DHP.

### **ASSESSING ELIGIBILITY FOR A DHP**

Applicants will be asked to provide details of their weekly or monthly expenditure. The DHP form has a space for this.

The Council will then look at their net available income to determine how much of the shortfall they can then meet.

Unlike Housing Benefit, which has income such as child benefit and child maintenance payments disregarded, all sources of income will be taken into account in determining eligibility for a DHP.

### **WHEN CAN A CLAIM BE MADE?**

A claim for DHP can be made at the same time as an application for Housing Benefit or at anytime thereafter. However, a DHP will not normally be backdated so it is important that claims are made as soon as possible. See paragraph on backdating below.

### **TO WHOM WILL DHP BE PAID AND HOW?**

Private tenants (including Housing Association tenants): the DHP will be paid with the Housing Benefit entitlement four weekly by BACS into the claimant's or landlord's designated bank account.

Council tenants: the DHP will be added to the tenant's rent account with their Housing Benefit entitlement.

A DHP may be paid to someone other than the customer if UDC considers it reasonable to do so. This could be an agent, appointee or a landlord.

### **HOW LONG WILL A DHP BE PAID FOR?**

There is no set period that a DHP can be awarded for. Each case will be looked at on its own merits and the needs of the household.

A letter showing clearly the start and end date of an award will be sent when the initial decision of the award is made.

Once a DHP period comes to the end it will only be paid for a further time if UDC is satisfied that the customer has done everything that they can to either find alternative accommodation or to help their financial situation.

## **WHAT DOES A DHP NOT COVER?**

There are some things that a DHP cannot cover:

- Service charges
- Outstanding rent arrears
- Certain sanctions and reductions in benefits, e.g. a “one-strike” withdrawal of Housing Benefit or an overpayment of Housing Benefit.

## **EXAMPLES OF WHEN A DHP WILL BE CONSIDERED**

### **Local Housing Allowance (LHA) shortfall:**

A shortfall in rent at the Local Housing Allowance (LHA) anniversary date or the 52 week Rent Officer review: before considering a DHP the claimant will be encouraged to approach his or her landlord for a reduction in their rent, especially if the LHA rate is much lower than the rental liability or the Rent Officer has indicated that the rent is significantly high.

Consideration will be given to requesting a Rent Officer re-determination to see if the rent shortfall could be reduced.

As the claimant should be aware of the maximum rent used in the calculation by comparing the LHA rates it would not be usual for a claimant to be awarded a DHP in this situation. However, if the person could afford the property before they claimed LHA then consideration may be given for a DHP. If the LHA rates reduce at the anniversary date of the claim, the claimant may be considered for a DHP.

The LHA rates are available on our website: [www.uttlesford.gov.uk/benefits](http://www.uttlesford.gov.uk/benefits)

### **To cover Housing costs:**

In general, housing costs means rental liability. However, housing costs can be interpreted more widely to include: rent in advance, deposits or other lump sum costs associated with housing needs such as removal costs.

If the rent is significantly high, the Council will consider awarding a DHP for a limited period and will inform the claimant that no further help will be available thereafter. The claimant should then either approach their landlord to seek a lowering of the rent or try to find cheaper accommodation.

### **Over-accommodated:**

In most cases a DHP will not be paid for a property where the claimant is over-accommodated, i.e. too many rooms for their personal use. However, with the new Social Housing Size Restrictions which come into force on 1 April 2013 consideration will be given to each application on its merits based on the criteria.

For an example: - A single person in a two bedroom property. An exception to this rule could be where there has been a recent change in circumstances that has left the claimant in this unavoidable position. In such a case, consideration would be given to paying a DHP for the remainder of the tenancy, but no DHP would be paid if they renew the tenancy.

### **Non-dependant deductions:**

Consideration could be given to awarding a DHP to help cover the shortfall made by non-dependant deductions, if these deductions were causing hardship.

### **Rent in advance and rent deposits:**

A DHP will not normally be used to cover rents in advance or deposits as the Council runs a rental deposit scheme through the Housing Options department.

A DHP can be awarded for a rent deposit or rent in advance scheme for a property that the customer is yet to move into if they are already entitled to HB or UC at their present home. In these cases UDC will wish to satisfy themselves that the property is affordable for the tenant.

When making a DHP to assist a customer with securing a new tenancy UDC may consider making the payment to the landlord rather than the customer.

Using DHPs for this purpose may be particularly appropriate to help existing customers move to alternative accommodation where their award of HB has been restricted following one of the welfare reforms.

### **Single room rents:**

Claimants under 35 have their eligible rent restricted to a single room rent level. A DHP can be used to cover any shortfall if the person could afford the full rent when they first moved into the property, if they are approaching the upper age limit or if the Council feels that they are facing hardship.

### **DHP on Two Homes:**

DHP can be awarded on two homes when someone is treated as liable for rent on both properties and there is a shortfall finds themselves temporarily absent from their main home for example because of domestic violence.

**Other groups** we may assist to stay in their home are, for example:

- a) Cases where there is a disabled child in the household.
- b) Young people leaving local authority care;
- c) Foster carers, including those between placements:
- d) Foster children are not included in the HB assessment but neither is the income from foster allowances. UDC greatly values the work done by foster carers.

- e) Whilst some carers may be able to make up the shortfall using some of their allowance, or by other means, we do want to consider supporting foster carers who are deemed to be under-occupying their accommodation because they have rooms required by foster children, or being kept available for future placements.
- f) Families with kinship care arrangements. Children who go into the care of family and friends are often extremely vulnerable and will usually benefit from the stability of remaining in a familiar area and continuing to attend their local school;
- g) Families with a child temporarily in care but who is expected to return home. What constitutes temporary will be at UDC's discretion
- h) People who have had to flee domestic violence or have moved because of the threat of violence in another area;
- i) Ex-homeless people being supported to settle in the community;

### **OVERPAYMENT OF DHP**

The Council will endeavour to recover an overpaid DHP if the overpayment is as a result of misrepresentation or failure to disclose a material fact by the claimant, fraudulently or otherwise, or if an error was made when the claim was determined by the Council.

If it is decided that a DHP should be recovered, the claimant will receive an invoice for payment.

A DHP made to a customer for rent in advance or a deposit then legislation does not provide for it to be repaid.

### **CAN A DHP AWARD BE BACKDATED?**

A DHP award will be paid from the date of receipt of the application whether by telephone or in writing.

The award will only be backdated in circumstances where the customer can provide information as to why they were unable to make an application at the time.

A DHP can only be considered for a period where a linked HB claim is payable.

For social housing tenants under the new regulations from 1 April 2013 the claim to a DHP will be backdated to 1 April 2013 if the application is received before 31 May 2013.

### **APPEAL PROCESS**

Claimants will be notified in writing of the DHP award decision. This will include the right to request a review (appeal) within one month of the date of notification if they do not agree with the decision.

If a request for a review is received, the decision will be reconsidered by the Section 151 Officer of the Council. The appellant will be notified of the outcome of the review, in writing, within 1 calendar month of the appeal being received. The letter will clearly state the reasons for the decision.

That decision will be final and there will be no further right to appeal to the Council.