

REPORT TITLE: DISCRETIONARY HOUSING PAYMENT POLICY

26 APRIL 2017

REPORT OF PORTFOLIO HOLDER: Cllr Stephen Godfrey, Portfolio Holder for Finance

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WARD(S): ALL

PURPOSE

Discretionary Housing Payments (DHP's) are payable in addition to Housing Benefit where additional financial support is deemed to be required.

Funding has increased significantly since the start of the roll out of Welfare Reforms and Universal in 2012, Winchester City Council received £38,744 in that financial year compared with approximately £112,000 in funding from April 2016 to March 2017.

Funding from April 2017 to March 2018 is £171,871.00

The revised policy on the administration and payment of Discretionary Housing Payments is to align the policy with Winchester City Council's strategy in supporting customers of Housing Benefit through Welfare Reform and transition to Universal Credit.

RECOMMENDATIONS:

1. That the revised Discretionary Housing Payment Policy be agreed.!

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 The new policy is aligned to the Council Strategy as part of delivering an entrepreneurial approach to public services and specifically the measure '*Utilise our Discretionary Housing Payments to support our residents with the impact of welfare reform*'.

2 FINANCIAL IMPLICATIONS

- 2.1 Discretionary Housing Payments (DHP) will continue to be funded by the Department of Work and Pensions (DWP). The Council can top-up this funding through the General Fund but this is not proposed due to the Government funding being sufficient for the proposed policy. This will be kept under review, as any increase in demand on the DHP due to Welfare Reforms or increasing numbers of claimants could lead to a financial pressure.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The regulations covering DHP's are the Discretionary Financial Assistance Regulations 2001. These regulations have been amended to in order to extend DHP entitlement to recipients of Universal Credit.
- 3.2 The Policy has been reviewed by Legal Services with no implications raised.

4 WORKFORCE IMPLICATIONS

- 4.1 None; DHP awards will continue to be delivered by the Benefits and Welfare Team without the requirement of further resources.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND COMMUNICATION

- 6.1 Internal and external partners, and stakeholders have been informally consulted.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None

8 EQUALITY IMPACT ASSESSMENT

- 8.1 An equalities impact assessment has been completed. Appendix C. The policy gives priority to the most vulnerable groups including those groups identified by Government guidance relating to the administration of DHPs.

9 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Financial / VfM</i>	It is proposed that the Council will manage the DHP spend with no additional funds from the Council's budget. Regular monitoring of spend will be carried out and reported monthly.	The Policy provides for the drawing together of other funding within the Council designed to support residents vulnerable to housing or financial pressures.
<i>Legal</i>	None identified through the legal review.	
<i>Reputation</i>	The Council reporting will ensure that those most vulnerable to welfare change will be prioritised within the new policy.	The Council has the ability through the Policy to deliver some real change outcomes for vulnerable residents.

10 SUPPORTING INFORMATION:

- 10.1 Discretionary Housing Payments (DHPs) are paid from a cash limited budget and are intended to help people meet housing costs, normally where there is a shortfall between their Housing Benefit, or Housing element of Universal Credit and their rental liability. It is not possible to make an award in every case where there is a shortfall and the policy is geared towards those areas where a short term award can provide for a longer term ability for the claimant to make up the shortfall.
- 10.2 The objectives of the revised policy are to give applicants a fair and consistent decision, to maximise the use of the DHP budget, to give greater priority to help those who are making efforts to help themselves and to support those who have done all they can to manage the situation they are in.
- 10.3 The revised policy will help to prevent negative outcomes such as homelessness which will involve further hardship for the council as well as additional and avoidable costs for the Council
- 10.4 There are no changes to the DWP statutory framework for DHP. However, the Policy principles have been updated to reflect the current legislative guidance from the Department of Work and Pensions.
- 10.5 The table below shows the main changes from the previous policy

Eligibility/Key Qualifying Criteria	New policy now includes conditionality for claimants to receive an award from the fund
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Welfare Reform	New policy adheres to DWP best practice guidance to give priority to applicants adversely affected by Welfare Reform
Secondary Qualifying Criteria	New policy includes a secondary qualifying criteria which links with the Council's Community Strategy
Application process	New policy has a more flexible and agile application process
Reporting	New policy aligns local transparent reporting on awards in line with DWP guidance.

10.6 The proposed Policy is included in appendix A

11 OTHER OPTIONS CONSIDERED AND REJECTED

11.1 To continue with the existing DHP Policy was rejected as it no longer met with the Council Strategy or the Department of Work and Pensions best practice and legislative guidance.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

Discretionary Housing Payment. Housing Committee 4 February 2014.

Other Background Documents:-

Previous DHP Policy

APPENDICES:

Appendix A – Proposed DHP Policy

Appendix B – Previous DHP Policy

Appendix C – Equalities Impact Assessment.

Winchester Council's Discretionary Housing Payment Policy

Introduction

This document sets out Winchester Council's Discretionary Housing Payment (DHP) policy for the financial year 2017/18 and for future years until amended.

DHP is a centrally funded, ring-fenced grant which supports local authorities in providing additional financial assistance for housing costs to Housing Benefit (HB) households and households in receipt of Universal Credit Housing Costs (UCHC).

The DHP fund is allocated to local authorities by the Department of Work and Pensions (DWP). The grant distribution formula is calculated on local authority HB caseload, previous DHP spend and forecast impacts from the following welfare reforms:

- Local Housing Allowance (LHA) reforms;
- Social Sector Size Criteria
- Benefit Cap

Appendix B shows the level of funding received by Winchester City Council in the past 5 years.

While the remit of DHP is restricted by statute, the local authority retains discretion on how to target spend within the legislative framework. This document defines Winchester Council's local policy for the administration of DHP under the discretionary element of the scheme.

The Council is committed to ensuring the customer journey is simple and effective and as such discretionary funding pots are aligned to mitigate the impacts of Welfare Reform wherever possible. The DHP policy adheres to this vision.

Principles of Winchester's Discretionary Housing Payment Scheme

The principles of the DHP scheme are to support residents into long term, sustainable, financially independent living. These are aligned to the Community Strategy as part of delivering an entrepreneurial approach to public services and to the Housing Revenue Account (HRA) Hardship Fund and other council funds as appropriate, by. The policy acknowledges that for some households long term financial support with housing costs is required and addresses such scenarios.

The principles of Winchester's Discretionary Housing Payment scheme are:

- To ensure a financial sustainable approach to supporting residents
- To provide short-term support to assist long-term, sustainable, financial independence
- To provide long term support where a household's circumstances are deemed to be such that sustainable financial independence is not an option, e g due to disability

- To align with the HRA Hardship Fund and other council funds as appropriate To support the Homelessness Strategy and help reduce poverty in the borough To help support residents into work
- To reduce the risk to health and safety of households
- To support safeguarding of children and adults and promoting family

Primary Qualifying Criteria

To enable these principles to be maintained, the following primary criteria will be considered for all applications

- Sufficient funds must be available within the DHP pot allocated to the local authority
- Household must not be able to obtain funds from elsewhere to meet the housing need they are applying for DHP to assist with
- Household must not have received funds elsewhere for the rent/household item they are applying for
- Applicant/partner must be willing to adhere to opportunities for support to assist in becoming financially independent, including engaging with Council's Housing Needs Services and the Winchester Supporting Families programme and back to work initiatives
- Applicant/partner must not have received a DHP payment for a rent deposit, rent in advance or removal costs within the last two years with exception of people fleeing domestic violence, suffering from mental health illness (known to mental health partners, CNWL, and in receipt of mental health care package) or intentionally homeless

Statutory framework

DHP is legislated for in the Discretionary Financial Assistance Regulations 2001 as amended and provides the following framework:

- DHP may only be awarded to people in receipt of Housing Benefit or Universal Credit Housing Costs from Winchester Council;
- DHP may only be awarded to people who the authority find are in need of additional financial assistance to enable them to meet their housing costs;
- DHP may not be awarded to cover housing costs that are specified as ineligible for Housing Benefit or Universal Credit Housing Costs;
- Where DHP is awarded to assist with weekly rental liability, payments will not exceed that liability less any ineligible charges for Housing Benefit or Universal Credit Housing Costs;

DHP cannot be used to:

- assist with the payment of Council Tax;
- assist with an increase in rent to cover arrears;

- To cover sanctions, reduction in benefits due to collection of debt or due to a failure to comply with a Child Support Agency Order e.g for recovery of a housing benefit overpayment.
- The Council will only award DHPs from the Central Government funding allocation, and will not seek to top up this grant from the General Fund.

Housing costs

There is no legal definition of the term 'housing costs' or 'further financial assistance'. Under Winchester's DHP policy 'housing costs' will be deemed to be:

- Eligible Rent as defined by the Housing Benefit Regulations 2006 or Rent Payments as defined by the Universal Credit Regulations 2013
- Rent deposit
- Rent in advance
- Removal costs
- Lump sum expenditure for household items that are essential to enable the property to be used as a home

An application for DHP will be considered for the following situations where it is demonstrated that the claimant is unable to meet these costs by other means:

- Housing Benefit/Universal Credit Housing Cost shortfall in rent due to welfare reform including Benefit Cap, Social Sector Size Criteria and reductions in Local Housing Allowance (LHA)
- Housing Benefit/Universal Credit shortfall in rent due to LHA/rent officer restriction
- Housing Benefit/Universal Credit shortfall in rent due to level of household income
- Housing Benefit/Universal Credit shortfall in rent due to non-dependant deductions
- Rent deposit/rent in advance
- Removal costs
- Household items that are required to enable the property to be used as a home.

The following are ineligible costs for which DHP cannot be paid:

- Ineligible service charges as defined by the Housing Benefit Regulations 2006 or Universal Credit Regulations 2013
- Rent arrears, including where these have been added to ongoing rent payments
- Council tax
- Costs resulting from a suspension in HB or UC or where benefit pended awaiting the outcome of an appeal
- Shortfall resulting from recovery of HB or UC overpayment from ongoing benefits
- Shortfall resulting from a sanction or reduction in HB or UC imposed by DWP

Secondary Qualifying criteria

In addition to meeting primary and legislative criteria, successful applicants must, in most instances, fall into one of the groups listed below. Meeting any of the criteria will not in itself result in an award being made.

The following are a guide to the types of scenarios when DHP may be awarded, but each case will be considered on its own merits.

- Disabled. Defined as in receipt of Disability Living Allowance, Personal Independence Payment, Employment and Support Allowance (support component), Armed Forces Personal Independence Payment, Attendance Allowance or registered blind;
- Suffering with severe medical complaint that results in additional needs;
- Pensioner, as per DWP definition;
- An expectant mother within 3 months of child birth requiring an additional room following the birth of the child;
- A child in the household will turn 10 years of age within 6 months and due to them being of the opposite sex to their sibling(s) will become entitled to an additional room under Housing Benefit/Universal Credit rules;
- A single applicant who within 6 months will turn 35 years and their rent is restricted under the Shared Accommodation Rate rules;
- A move would be seriously detrimental to a child's education, e.g. within a year of GCSE exams.
- Household member is leaving institutional care;
- Household member is at risk of entering institutional care;
- Fleeing domestic violence;
- Entering into work or in long term genuine and effective employment;
- Ex-prisoner leaving prison;
- Suffering with mental health issues (known to mental health partners and in receipt of mental health care package) and known to Social Services;
- Supported Families (previously Troubled Families) (SF), Children's Services Youth Offending Team (YOT), Hampshire Safeguarding Children board under Child Protection Plan);
- Household requirement to remain in locality of specialist support needed by household members, e.g. health care provision
- Requirement of household to remain in accommodation due to lack of suitable alternative, cheaper accommodation, e.g. if property adapted for disability
- Households needing to move on advice of Police e.g. witness protection;
- Where there is a risk to the health or safety of household members if a DHP is not paid.

Once identified as falling into one of more of above categories, the household will be assessed against the following criteria to identify the ability of the household to manage the 'housing costs' themselves.

Each case will be considered on its own merits with reference to the following financial criteria:

- DHP funding is still available

- Household is experiencing severe financial hardship
- Income and expenditure available to the household compared to the amount of the housing cost applied for
- The ability of all household members to financially contribute including any assets held
- Whether payment of DHP will resolve financial difficulties
- Whether payment of DHP promotes financial independence, including to take up work
- Reasonableness of rent charged
- Other steps taken by applicant to resolve financial difficulties, such as negotiating rent level with landlord
- No alternative financial assistance available to household
- Additional household expenditure due to illness/disability

Any case falling outside of the above discretionary criteria will be considered on its own merits and in exceptional circumstances may result in an award of DHP.

Underpinning this decision making process will be whether the payment of a DHP will resolve, either temporarily or long term, the financial predicament for the household, and whether moving the household would prevent them from accessing the support/employment/education they receive in their current property

Accessing DHP

Claim process

An application for DHP must be made to the local authority. The applicant or application appointee (but not a landlord) must make the initial application verbally, in writing or electronically. The Council may request that the application be supported by additional written, telephone or electronic evidence or further information deemed reasonable by the council to enable a decision to be made.

Where possible the council will obtain information internally or from DWP, however the Council may require the applicant to obtain and provide further information. If the information is not provided within one month, the claim will be deemed to be defective.

The applicant has a duty to notify the local authority of any change of circumstances that may affect their entitlement to DHP. This includes changes that may be known by other council services or the DWP.

Start date of award

DHP award will normally begin from either:

- The Monday following the date the application is received; or
- The date Housing Benefit/Universal Credit Housing Cost entitlement began if the application is received within 1 month of the date the applicant was notified that their benefit had been decided; or

- The effective date of change to benefit following a change of circumstances, if the application is received within 1 month of the applicant being notified of the decision relating to the change of circumstances; or
- The effective date of change to benefit following a change of legislation, if the application is received within 1 month of the applicant being notified of the decision relating to the change; or
- A date requested by the customer following a successful claim for backdating (see backdating below)

Backdating

The request for backdated DHP must be in writing and must give reasons to show continuous 'good cause' for not making a DHP application within the above time limits. 'Good cause' must be shown for the whole of the backdate period.

There is no limit to the period DHP backdating can be awarded for, but the applicant must receive Housing Benefit/Universal Credit Housing Costs for all of the period backdating is awarded for, and funds must be available to support the award.

End date

A DHP is always for a limited period and cannot carry on beyond the end of the Housing Benefit/Universal Credit Housing Cost claim. The end date of the DHP period will depend on the individual circumstances of each application and funds available. The issues to be considered are:

- The expected duration of the applicant's circumstance that led to the award being made;
- Tenancy end date;
- Expected date of change of circumstances, such as child leaving school;
- Amount of funds available in the current financial year and future financial year(s);

Where a DHP is awarded to support the transition into work, the end date of the award will be the latest of either:

- Four weeks from the start of work if an extended payment run on is not applicable; or
- The date tax credit payment begins.

If the need for a DHP continues after the award period ends, the period can be extended if a new application is made.

Amount

The maximum DHP is the amount of shortfall between the eligible rent and the entitlement to Housing Benefit/Universal Credit Housing Costs, or the amount of other housing costs if a lump sum is awarded, e.g. rent deposit.

For applicants in receipt of Universal Credit Housing Costs the shortfall will be based on the identifiable housing element of the claim. The amount of the award will be decided depending on the applicant's circumstance.

Where DHP is awarded for a weekly amount, the level of the award will not exceed the full eligible rent.

The amount of the award does not have to be for the full shortfall in rent or for the full lump sum. Consideration will be given to how much is needed to ease the applicant's financial situation and the ability of the household to contribute

Where a DHP is awarded to assist the transition into work, the maximum weekly payment will not exceed the Housing Benefit entitlement prior to starting work.

Decision

A decision will be made once all relevant information is received. Awards of DHPs are at the local authority's discretion. All decisions will be recorded within the electronic assessment system for auditing purposes.

Decisions will be notified in writing within three working days of the decision or such period as is reasonably practicable. Decision notices will include the reason for the decision, the amount, period of the award if appropriate, method of payment, review process and the need to notify changes of circumstance.

If the decision refers to an overpayment of DHP the decision notice will include the amount, period and reason for the overpayment.

Payment

Although not benefit, where the DHP is awarded to cover a rent shortfall the DHP will, in the first instance, be paid with any Housing Benefit entitlement. If benefit is paid to the landlord then DHP will be paid in the same way.

Where Universal Credit is in payment, the council may deem it reasonable to pay either the applicant, landlord or someone acting on behalf of the applicant.

DHP will be paid in the same payment cycle as Housing Benefit. Where Universal Credit is in payment, the frequency of payments will be dependant on the applicant's requirements and the ability of the council to meet those requirements.

Rent deposits will be paid to the landlord in all but exceptional circumstances.

Rent in advance will be paid to the new landlord in all but exceptional circumstances.

Removal costs will be paid via invoice to the removal company.

Any goods will be purchased directly from companies identified through the Council's procurement process.

Cancellation and change of circumstances

Applicants will be notified of the requirement to inform the council of changes in circumstance. This may be with reference to information provided in their claim for Housing Benefit/Universal Credit.

A DHP award can be cancelled or amended if:

- The applicant has had a change in circumstance that affects DHP; or
- DHP has been awarded based on information that was wrong or that the authority was not aware of (this may be fraudulent or otherwise); or
- An error was made when the award was decided and payment was made based on this error; or
- The Housing Benefit/Universal Credit Housing Cost entitlement changes. Where the change results in a reduction in Housing Benefit/Universal Credit Housing Cost, the applicant may be required to apply to have the amount of DHP increased. This will be considered under the same criteria as a new DHP application.

The cancellation or amendment may be from the start of entitlement or from a later date depending on the reasons for cancellation.

DHP can be suspended if a question has arisen over the entitlement to the award or the method of payment.

Overpayments

Overpayments of DHP will be recoverable. Consideration will be given to whether the overpayment is due to applicant or local authority error and whether the applicant could have reasonably known they were being overpaid.

If the overpayment is recoverable a decision will be made from whom to recover the overpayment from. Recovery could be made from either:

- Applicant; or
- the person the DHP was paid to; or
- a third party who knowingly gave false information which led to the overpayment.

Collection of overpayments

The following methods will be used to recover overpayments of DHP:

- Recovery from ongoing DHP entitlement;
- Transfer of the debt onto the Council Housing rent account if the account has sufficient credit;
- By sundry debtors invoice.

DHP overpayments cannot be collected from ongoing Housing Benefit entitlement.

Information will be gathered from the applicant, DHP records and any other relevant sources to inform the rate the overpayment will be recovered at. Consideration will be given to:

- The size of the debt;
- How long the debt will take to recover;
- Whether the overpayment is due to fraud;
- What other corporate debts are owed;

- The financial circumstance of the household;
- Any vulnerability identified within the household as in accordance Council Tax Recovery policy.

All recovered overpayments will be allocated back into the outstanding DHP grant for the year.

If the overpayment is not recoverable then it will be submitted for write off within the Schedule of Delegation.

Disputes

If the customer disagrees with the decision they must make a dispute in writing giving the reasons why they think the decision is wrong and providing additional evidence to support their case.

This must be received by the local authority within one month of the original decision. Late requests can be considered if the applicant has good reason for the delay.

The review will be carried out by an officer in a more senior position to that of the original decision maker and who has had no previous involvement in the determination of the claim.

Disputes will be considered within one month of receipt or as soon as reasonably practicable, The applicant will be notified in writing of the decision within 3 days of the decision, giving the reasons for the decision.

There is no further internal right of appeal

Monitoring and evaluation

The DHP spend will be monitored on a monthly basis to ensure expenditure is within available funds.

Management Information (MI) will be collated to identify areas of high demand to allow monitoring against the intention of this policy.

MI will be aligned to the requirements of the DWP statutory return as detailed in Appendix A.

Appendix A

Has the applicant been affected by one of the following? (Select from list)

Benefit Cap

Removal of spare room subsidy in social rented sector

LHA restrictions

Combination of reforms

No welfare reform related impact

What is the intended outcome? (Select from list)

(a) To help secure and move to alternative accommodation (e.g. rent deposit)

(b) To help with short term rental costs until applicant secures alternative accommodation

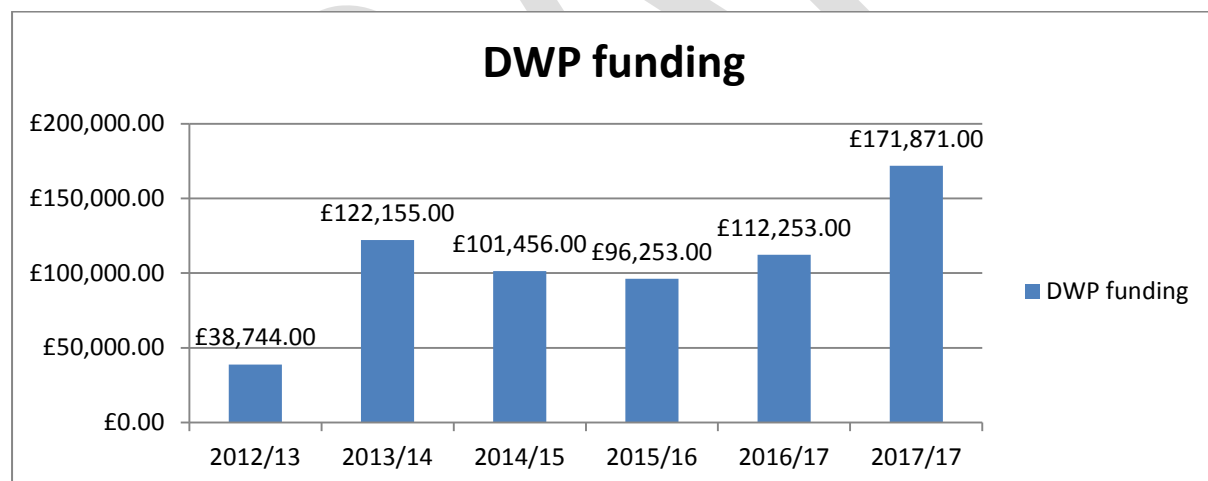
(c) To help with short term rental costs while the applicant seeks employment

(d) To help with on going rental costs for disabled person in adapted accommodation

(e) To help with getting into work

(f) To help with short term rental costs for any other reason

Appendix B



Discretionary Housing Payments Policy and Procedure – 2014/15

Discretionary Housing Payments (DHPs) are administered by the Council and provide financial assistance (outside of the Housing Benefit (HB) and Universal Credit (UC) regulations) to help tenants meet their housing costs.

DHPs are not payments of benefit. They are free standing payments to be made at our discretion where we consider that additional help with housing costs is needed.

DHPs can play an important role in sustaining tenancies, preventing homelessness and, where needed, enabling tenants to move to more affordable accommodation.

The Department for Work and Pensions (DWP) makes grants available to local authorities for DHP purposes.

We are not allowed to spend more than 2½ times the sum provided by the DWP on DHPs.

Key principles of the policy

Welfare Reform is aimed at encouraging people to move into work, increase their hours and/or move to more affordable accommodation.

Our key principles are as follows:

- All customers will be treated fairly, reasonably and consistently
- All DHP applications will be assessed on their individual merits
- All of the options available to the customer (including, for example, reducing household expenditure, maximising income, securing employment and/or moving to alternative, less expensive accommodation) will be taken into account when we assess the merits of each application

Any previous award or refusal of DHP will also be considered.

Key features of DHP's

We are able to make provision for **any** customer whose HB or UC is restricted and is, in our view, in need of additional help with housing costs.

Considering a DHP

Before making an award we must be satisfied that the customer:

- is entitled to HB or UC, and
- requires further financial assistance with housing costs

What is meant by “housing costs”?

This means eligible rent. Housing costs can also be interpreted more widely to include:

- rent in advance
- deposits
- other lump sum costs associated with a housing need such as removal costs

DHP can also cover:

- reductions in HB or UC where the benefit cap has been applied
- reductions in HB or UC for under-occupation in the social rented sector
- reductions in HB or UC as a result of Local Housing Allowance (LHA) restrictions
- rent officer restrictions
- reductions in HB or UC resulting from non-dependant deductions and the use of income tapers

We can award DHPs for a rent deposit or payment of rent in advance for a property that the customer has yet to move into if they are already entitled to HB or UC for their present home. When awarding DHPs for a rent deposit or for rent in advance, we will need to be satisfied that the property is affordable for the tenant.

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

The regulations are wide enough to permit this on the basis of a customer's entitlement to HB or UC at their current home. The regulations do not say that the housing costs to which the DHP relates have to be housing costs relating to the property for which HB or UC has been awarded.

In a case where a DHP for rent in advance or a deposit is being awarded **the weekly limit does not apply** as a lump sum is being awarded to meet an immediate housing need.

When awarding a DHP to assist a customer with securing a new tenancy, making the payment to the landlord, rather than the customer, should be considered.

As a lump sum payment for rent in advance is not made in respect of a period, we do not have to be satisfied that the customer is entitled to HB or UC other than at the point when the award is made.

If the rent in advance is for a property outside of our area we can still make a payment as the customer is currently in receipt of HB or UC in our area.

Before awarding a DHP for rent in advance or a deposit we will need to establish with the customer whether they:

- are due to have a deposit or rent in advance in respect of the existing tenancy returned to them
- have received assistance from the LA through a rent deposit guarantee scheme or similar

Once a DHP has been made to the customer for rent in advance or a deposit and used for that purpose legislation does not provide for it to be refunded.

The following are not included, and DHP's should not be made in respect of them:

- Ineligible service charges
- Increases in rent due to outstanding rent arrears
- Certain sanctions or reductions in DWP Benefits.
- Shortfalls caused by HB or UC overpayment recovery.

Amount and duration of DHPs

DHPs are not generally intended to be used as a long term solution to the customer's financial difficulties. Instead, they should be used to provide short term assistance to ease transitions and allow households to find a way of resolving their difficulties.

The expectation is that DHPs will be awarded 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 alleviating difficulties that may be experienced in the transition from long term benefit dependence into work.

Conditions may be attached to a DHP award, for example, requiring the customer to participate in a training or employment programme to assist them with securing employment or registering and bidding on Hampshire Home Choice for a more suitable property.

Failure to comply with any conditions attached to the award may affect the outcome of any future DHP application the customer makes.

The following matters should also be considered:

- Is any need likely to be short term
- Is the customer likely to require assistance in meeting their housing costs for as long as they remain in the property
- Should DHP be considered until the earliest opportunity that cheaper accommodation can reasonably be sought
- Should DHP be considered until a particular milestone, such as the end of training or first possible break clause in a tenancy is reached.

DHPs are not intended to replace lost benefits as a result of the welfare reforms. To do so would undermine the purpose of the reforms. They are to be used to assist those most affected to adjust to a long term affordable approach.

DHPs will be considered and awarded on a financial year basis only (i.e. from 1st April to 31st March). Awards should be made for no longer than 6 months at a time. This will ensure that the award is reviewed regularly and that the action required by the customer is monitored. However, in exceptional circumstances this can be increased for up to 12 months (e.g. long term disabled customer who is unable to move into work or a smaller property).

Claims

There has to be a claim for DHP before an award can be considered.

There are no prescribed time limits for supplying information so customers should be advised of deadlines, what information is requested and how information should be supplied when it is requested from them.

Duties of the customer

When a customer claims a DHP, they must provide:

- Information required/requested to make a decision or look at a decision again
- Any other information required in connection with their claim

Who can be paid a DHP?

DHPs may be paid to someone other than the claimant if it is considered reasonable to do so. That could be an agent, landlord or appointee. DHPs can also be credited to the rent account.

A DHP can be awarded for any period (as long as it does not exceed the 6/12 month limit mentioned previously). There are also no requirements as to the date a claim should be treated as made or the date that a payment should

start/end although awards are expected to meet current needs rather than past debts.

There are no statutory backdating rules and there is discretion on whether to backdate or not. However, each application should be considered on its own merits and all decisions should be consistent.

Method of payment and notifications

It must be possible to differentiate between HB and DHPs.

Where a DHP is paid with HB, notifications to the claimant must clearly show how much is HB and how much is DHP.

If someone claims a DHP, that person must be notified of the DHP decision, in writing, with reasons, as soon as is reasonably practicable. See *template letter 'DHP Decision'*.

It is also good practice to notify the Landlord of awards (where Data Protection allows this) of DHP as they should know how much HB is being awarded. See *template letter 'DHP-Awarded-Landlord.'*

The duty to report change of circumstances should also be clearly marked on notifications.

It is important to clearly advise that there are different appeal rights for DHPs than those for HB.

The following review procedure must be followed –

- Request for a review is received.
- Decision reviewed by a Benefits Team Leader.
- Customer advised of outcome of review and given a further right to review
- Further review received
- Decision reviewed by Benefits Manager.

The claimant must be notified of the review decision

- In writing
- With reasons

- As soon as is reasonably practical.

The route of judicial review is available, and the local government ombudsman if there is an allegation of maladministration.

Stopping and recovering DHPs

There are instances other than a change of circumstances when DHPs can be stopped and recovered.

- If a decision is made that DHPs are being, and/or have been, made because someone has misrepresented or failed to disclose a material fact - be it fraudulently or otherwise.
- Where DHPs have been paid as a result of an error

Recovery from ongoing HB

DHPs may **not** be recovered from ongoing HB. There is no provision for recovery of overpaid DHPs from other benefits. Recovery is by invoice only. However, we will recover a DHP overpayment from a HB underpayment when they are for the same period and the DHP is no longer applicable.

Eligibility guidelines

The following eligibility guidelines should be considered when determining an application for a DHP.

The tenancy

1. Is there a risk of eviction and the customer becoming homeless if housing costs are not met (what action has the landlord already taken)?
2. If the customer recently took on the tenancy and there is a shortfall in HB or UC because of a rent restriction did they check their LHA rate before accepting the tenancy?
3. Was the customer aware of the size criteria restrictions when they took on the property?
4. Is there scope for the landlord to reduce the rent (do they need assistance to approach their landlord)?
5. Does the customer have a fixed term tenancy and if so when does this end?
6. If there is a shortfall in the rent have they tried to find cheaper accommodation? Have they considered moving to a cheaper area (e.g. from Winchester to Southampton)?

Finances

7. Can the customer afford to pay the shortfall based on the figures provided on the budget form?
8. Does the customer have any capital or disregarded income they can use (but bear in mind that disregarded disability income may be committed to other liabilities such as mobility schemes)?
9. Does the customer have other debts to pay that make meeting housing costs more difficult? Have they sought advice on how to clear their debts?
10. Does the customer or anyone in the household have any unusual or unusually large expenses which make it harder to meet housing costs (i.e. regular visits to hospital)?
11. Can the customer change their spending pattern on non-essential items?
12. Could the customer reduce other outgoings?

13. Could the customer afford the rent when they moved in? Do they need short term assistance while they attempt to get back to work?
14. Can the customer increase their hours or do any overtime (remember that this will affect entitlement to HB, UC and Council Tax Reduction)?
15. Are the income and expenditure figures they have provided on the budget form accurate and reasonable? Check against the trigger figures provided on the Money Advice website.
<https://www.moneyadviceservice.org.uk/en/categories/managing-your-money>
Are they incurring higher travelling costs to and from work as they have moved to a cheaper area because of the LHA changes?

Medical circumstances

16. Does the household have health or support needs which require them to remain in a particular property?
17. Does the customer require an extra room because of a health problem that affects them or a member of their household?
18. Has the property been SUBSTANTIALLY adapted because of a member of the households disability?
19. Do they require a room for an overnight carer whose main home is elsewhere?

Other circumstances

20. Is the customer fleeing domestic violence so they do not have time to shop around for a reasonably priced property?
21. Is the customer expecting a child and has had her HB or UC restricted to that of smaller accommodation until the child is born?
22. What would be the impact on the household of moving home and/or changing schools?
23. Would an award of DHP assist the customer in accessing/retaining employment, education or training?
24. What steps has the customer taken to alleviate the problem?
25. Has there been a change of circumstances which make it more difficult to meet housing costs (possibly just in the short term)?

26. Could friends or relatives help with temporary accommodation or rental payments?
27. Do they have a spare bedroom they could rent to generate extra income (you would need to advise them that they may need to get permission from their landlord to do this and that this income may affect other benefits they currently receive)?
28. Is the customer single and aged between 25 and 35? If they are check if the new criteria for ex-offenders and previous homeless applies. Also check if they are exempt from the restrictions
29. If the customer is affected by the social sector size criteria do any of the following apply to their household:
- a. has the property been **significantly** adapted due to the disability of someone in the household (the property must have been adapted for the current tenants needs)
 - b. is the customer a foster carer (and does not have a foster child currently)
 - c. do any of the SSSC exemptions apply to the customer
30. If the customer is affected by the benefit cap do any of the following apply to their household:
- a. Are they in supported, exempt or temporary accommodation
 - b. Are they individuals or families fleeing domestic violence
 - c. Do they have kinship care responsibilities
 - d. Are they individuals or families who cannot move immediately for reasons of health, education or child protection
 - e. Do any of the benefit cap exemptions apply to the customer

Further information can be obtained from the DWP Guidance Manual/Good Practice Guide which can be found here:

<https://www.gov.uk/government/publications/discretionary-housing-payments-guidance-manual-for-local-authorities-2013>

Referral to other Agencies

If a DHP cannot be awarded on this occasion we need to consider whether the customer should be referred to another agency for more specialised assistance e.g.

- Housing or their landlord
- Homeless Section
- Citizens Advice Bureau
- Money Advice helpline

This policy will be reviewed annually and in light of any legislative changes, trends or other factors that impact on its effectiveness.

We will also, during the course of the year, review the level of DHP expenditure and consider whether we should allocate any additional budget, if available, towards the overall DHP budget.

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Winchester City Council – Equality Impact Assessment



Title of Policy - Discretionary Housing Payments

1. What is the objective of the Policy

- 1.1. Discretionary Housing Payments (DHPs) were introduced in July 2011 as a mechanism for Local Authorities to provide further assistance with housing costs. Introduction of Welfare Reforms from 2013 has increased both the funding and number of requests for DHPs.
- 1.2. A DHP is not intended as a long term solution but a short term financial assistance until a more permanent solution is found. However, with the introduction of Spare Room Subsidy awards are now considered on a longer term basis recognising the potential complexity of needs and achieving sustainable outcomes for vulnerable residents, particularly where a property has been specially adapted to meet the needs of a disabled household member.
- 1.3. The period of award needs to be balance to ensure there is sufficient funding to the end of the financial year for new applications during the year but also provide financial security for those whose personal circumstances mean there is a little they can do to change their situation, particularly the elderly, families and the physically or mentally disabled.
- 1.4. Requests for information are not intrusive and an holistic approach is taken to identify need and additional signposting for additional support is given.

2. Who will be affected by this policy

- 2.1. Residents, specifically applicants of Housing Benefit and/or Universal Credit with the housing costs element.

3. What type of Policy is this?

- 3.1. Revision to existing policy

4. Potential Impact

- 4.1. **Age** (any group of people of a particular age, including younger and older people – in particular, please consider any safeguarding issues for children and vulnerable adults.

Requests for DHP can come from claimants of any age. However, as the Welfare Reforms are mostly impacting on working age customers, this is the highest group.

- 4.2. **Disability** (including people with a physical impairment, sensory impairment, learning disability, mental health problem or other condition which has an impact on their daily life)

Disabled people have been impacted by the removal of the Spare Room subsidy and 49 DHP's have been made from April 2016 to January 2017 to support disabled customers stay in their homes until alternative accommodation can be found if appropriate

Longer duration DHP's are made where the households lives in specially adapted accommodation. There is no time limit on payment of DHP for these cases and they will have a light touch review to ensure all alternatives have been explored.

Changes to legislation and high court decisions are ongoing in relation to easements which currently apply to overnight carers for claimants and/or partners but not disabled children. This situation may lead to an award being requested.

Expenses due to disability are taken into account when deciding an award as these household often have higher expenses than non-disabled household's and need supporting as appropriate.

4.3. Gender

There is little impact on gender although there are higher numbers of single parent families where the claimant is female rather than male.

4.4. Pregnancy and maternity

Households where the family member is pregnant may be impacted by the LHA and Spare Room Subsidy regulations until the baby is born. Expected date of confinement data is gathered so an informed decision on entitlement can be made

4.5. Transgender (including gender re-assignment)

No impact on an individual's transgender

4.6. Marriage and Civil Partnership

No impact as all couples are treated the same.

4.7. Race or Ethnicity

No specific impact on race or ethnicity, although some families may tend to have larger families depending on their ethnicity and may therefore be impacted by the Benefit Cap.

4.8. Religion or Belief

No impact on an individual's religion or belief

4.9. Sexual Orientation

No impact on an individual's sexual orientation

- 4.10. **Other factors that may lead to inequality** (consideration has been given to the impact of any changes on low income groups or those experiencing the impacts of poverty)

Families may be impacted by the application of the Benefit Cap. Householders affected are directed to contact their Local Authority by Department of Work and Pensions. Currently there are around 60 families affected by Benefit cap with 35 of those affected working with the Council to get various levels of support including financial support from DHP.

4.11. Other Comments

DHP's are available for households that receive support with their housing costs. A claim does need to be made but it does not need to be made in writing. A small number of officers process applications and they are skilled in obtaining sufficient information to support an application without it being intrusive. Officers will be receiving training on supporting customers with mental health issues, at present these applicants are sign posted to specialist partners or stakeholders.

Additional support is often signposted or referred to another Council department or external agency as appropriate to fully support these vulnerable households, including supporting people.

An appeal process is in place, but no requests for an appeal has been made. This would indicate that the process in place and monitoring and reviewing processes are working.

Award breakdown from April 2016 and February 2017

The table below shows the breakdown of number of awards based on age, gender, disability and ethnic origin.

Age		Gender		Disability		Ethnic Origin		
Working Age	Pensioner	Female	Male	Disabled	Not Disabled	White British	Other White	Not specified
78	1	67	12	49	30	60	1	18