



# **WOKINGHAM BOROUGH COUNCIL**

## **DISCRETIONARY HOUSING PAYMENTS POLICY**

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## Version Control

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# Discretionary Housing Payments

## 1. Introduction

### National Picture

In July 2001 Local Authorities were granted new powers under the Financial Assistance Regulations 2001 to make discretionary payments in respect of Housing Rent and Council Tax liabilities, known as Discretionary Housing Payments (DHP).

Due to abolition of Council Tax Benefit from 1<sup>st</sup> April 2013, help with council tax liabilities can no longer be claimed.

DHPs are not payments of benefit and are outside of the Housing Benefit Regulations. We operate our scheme within guidance issued by Department for Works and Pensions (DWP) for best practice.

Under amendments to the Financial Assistance Regulations, from April 2013 Discretionary Housing Payments can be paid to cover other housing costs in addition to rent commitments. Expenditure is expected to fall within 4 broad areas:

- Local Housing Allowance Changes
- Benefit Cap
- Under Occupancy
- General DHP awards

Under the Universal Credit (Consequential Amendments) Regulations 2013, further amendments have been made to allow someone in receipt of Universal Credit, with a rental liability, to claim a DHP

The scheme is funded by the Government and the Council may top this up by two and a half times the government contribution from its own funds. Wokingham Borough Council has been awarded £81,779 in government funding for 2015/16 compared to £110,348 for 2014/15. The Council does not intend to make any top ups from its own budgets.

This policy has been designed with consideration of The Human Rights Act 1998 and The Equality Act 2010.

### Local Picture

Since 2013, Wokingham Borough Council (the Council) expanded the scheme to cover rent deposits, rent in advance and moving costs in addition to or instead of only allowing a time limited payment of rent in exceptional circumstances. This enables the Council to assist claimants with real solutions to ongoing financial hardship.

In addition to this general DHP funding, further funding is being provided by Department of Works and Pensions to assist hardship arising from Welfare Reform including:

- Reductions in Housing Benefit or Universal Credit where the benefit cap has been applied;
- Reductions in Housing Benefit or Universal Credit for under occupation in the social rented sector;

- Reductions in Housing Benefit or Universal Credit as a result of local housing allowance;
- Rent shortfall to prevent a household becoming homeless whilst the housing authority explores alternative options;
- Rent officer restrictions such as local reference rent or shared room rate
- Non-dependant deductions;
- Income tapers.

The responsibility for DHP is contained within the portfolio of the Executive Member for Economic Development & Finance.

## **2. Statement of Objectives**

The Council recognises that it must be able to respond flexibly to the needs of tenants within the borough if it wants to support strong and sustainable local communities.

Discretionary Housing Payments will be used to help mitigate the escalation of needs that arise from unforeseen or exceptional circumstances that threaten tenants' abilities to remain in their homes, or secure suitable housing.

By providing an additional financial resource, DHPs will complement the running of the Council's Rent in Advance/Deposit Loan Scheme that is administered by the Housing Needs Team

In general payments of DHPs are to assist with a short term fix, while longer term solutions are sought.

The intention of DHPs are:

To help secure and move to alternative accommodation (e.g. rent deposit, downsizing as a result of Social Sector Size Criteria deductions);

To help with short-term rental costs until the claimant is able to secure and move to alternative accommodation;

To help with short-term rental costs while the claimant seeks employment;

To help with on-going rental costs for a disabled person in adapted accommodation;

To help with on-going rental costs for a foster carer;

To help with short-term rental costs for any other reason.

## **3. Policy**

### **3.1 Discretionary Housing Payments Scheme**

DHPs were originally intended to provide short-term financial assistance in exceptional unforeseen circumstances, for example sudden loss of income, loss of a partner or close family member and sudden changes in physical or mental wellbeing, where there is a shortfall between statutory benefits and rent. The scheme has now been extended to help with financial difficulties as a result of welfare reform, although in general awards are for a fixed period and are intended to be short term.

The delivery of the DHP scheme is purely at the Council's discretion. The scheme set out in the following paper shall be known as the Discretionary Housing Payments Policy and will apply from 24<sup>th</sup> April 2015 onwards, until changed.

Awards can be made for any period up to a maximum of 52 weeks, without review, under normal circumstances. Any claimant can apply for a new award up to 4 weeks before the end of an existing award. This reflects the expected temporary nature of DHP support. Financial criteria and checks for entitlement are carried out in accordance with guidance and DWP best practice guide

In addition to the detail stated on page 4 of this policy, DHP awards can be made to cover:

- Moving costs – to assist in moving to more suitable or affordable accommodation;
- Rent in Advance – to secure a new affordable tenancy;
- Reductions in local housing allowance resulting from changes from April 2013 and onwards;
- Shortfalls in rent due to the effect of the benefit cap or under occupancy rules.

DHP awards cannot cover:

- A shortfall if housing benefit has been reduced to recover an overpayment or because other benefits have been reduced, for example, because the claimant left their last job voluntarily;
- 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;
- Increases in rent due to outstanding rent arrears;
- Sanctions and reductions in benefit (normally relating to previous fraudulent activity) as set out within the DWP DHP Guidance Manual April 2014;
- Help towards the cost of Council Tax if there is a loss of assistance due to the abolition of Council Tax Benefit.

### **3.2 Applying for a Discretionary Housing Payment**

- The adopted DHP scheme will be advertised directly to benefit claimants, to welfare rights organisations and will be on our website, where an application form can be downloaded. Consideration will also be given to undertaking wider publicity, for example, through Borough News and Housing Matters. DHPs will complement the objectives of the Rent Deposit Scheme (operated by Housing Needs Team) and the Council's Health and Well-Being Strategy.
- Applications must be made on the appropriate application form available on our website or in hard copy by request.

- Evidence may be required to assist with the decision making of the application.
- All outcomes will be notified in writing.

### **3.3 Eligibility Criteria**

To be considered for a DHP the applicant must:

- be entitled to Housing Benefit or Universal Credit that includes a housing element towards housing liability;
- satisfy the Council that further financial assistance (in addition to the benefit or benefits to which they are entitled) is required in order to meet housing costs;
- have an assessed weekly income no more than 110% of assessed weekly essential expenditure,
- In the case of requests for removal costs, rent deposit and rent in advance, where one-off payments could be made, we would look to see the affordability of the charges, for example where funds are needed urgently to secure accommodation and/or facilitate a move. Bullet points 1 & 2 above still apply, however the assessed weekly income may exceed the 110% buffer but the main consideration in an award for removal costs, rent in advance and rent deposit is the overall affordability including the sustainability of rent payments going forward.

### **3.4 Awarding a Discretionary Housing Payment**

When awarding a DHP the following will be considered;

- Whether the customer meets a priority need – set out within a separate document detailing high, medium and low priority cases, which can be found at <http://www.wokingham.gov.uk/benefits/housing/discretionary/> ;
- If awarded due to a shortfall, awards cannot exceed the rent charged but could be up to 100% of any shortfall of benefit compared to the full eligible rent;
- If awarded due to a shortfall caused by a non-dependant deduction, the income of the non-dependant (this could be an adult member of the household including grown up children) will first be considered, along with the reason why they are not making or are unable to make a financial contribution to the household costs;
- In addition, no payment will exceed the difference between the assessed weekly income and assessed weekly essential expenditure, unless it is a lump sum payment for removal costs/rent deposit/rent in advance where affordability is looked at;
- Different types of claim may demand different support levels and length of award;
- The Council may decide, where appropriate, to start to apply a taper to reduce the amount of DHP received, where a customer could be reasonably expected to address the issues surrounding the need for claiming;

- There will be no limit on the number of repeat applications where a positive award has been made;
- Repeat claims previously refused within the last 6 months for the same situation will not be allowed;
- Any award is seen ideally as being a temporary assistance with the aim being to allow claimants time to assess and change their circumstances and to be able to financially support themselves going forward.

### **3.5 Payments of a Discretionary Housing Payment**

Any award will be paid either with current housing benefit using the current methods of payment, direct to the landlord or in the most appropriate way for assistance with moving costs.

DHP payments for Universal Credit recipients will be paid in the most appropriate manner deemed by the authority and in accordance with DWP guidance.

### **3.6 Notification**

The Council will notify the claimant of the outcomes in writing including the amounts and length of time of award, within 10 working days, whenever possible, of a completed claim and evidence being received.

The notification will also include details of what to do at the end of the current award if help is still required.

It will also include details of how to appeal a decision.

### **3.7 Right to Appeal**

DHPs are not subject to any formal statutory appeals process.

The Council has formulated an internal appeals process for those who are not satisfied with the decision made.

If the claimant is dissatisfied they can appeal within 1 calendar month of the decision being made, where it will be reviewed by an officer different from the officer who made the original decision.

The officer will look at the case and make a decision whether to change the outcome or leave the original decision in place. Where the original decision remains unchanged, before notifying the decision to the claimant, a final review will be carried out by either the Service Manager – Assessments or Head of Finance.

The claimant will be notified of this decision in writing within 10 working days of all relevant information being received.

This is the only and final appeal process open to the claimant. However, claimants do have the option to use the Judicial Review process to review the manner in which the Council has determined to exercise a discretionary function.

### **3.8 Overpayments**

If the Council becomes aware that the information contained in an application for a DHP award was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council may seek to recover the value of any DHP award made as a result of that application.

### **3.9 Fraud**

The Council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a DHP award might have committed an offence under the Fraud Act 2006.

If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate and this could lead to criminal proceedings.

### **3.10 Publicity**

In addition to details being contained on the Council's website, the scheme is advertised directly to benefit claimants and to local welfare rights advisors.

Application forms are available to be downloaded via the Council website or will be issued in response to any request received by email, telephone, in person or in writing.

Consideration will also be given to undertaking wider publicity through Borough News, Housing Matters or any other Council publication.

## **4. Monitoring**

The Customer Welfare Team will monitor the amount and types of award made. This monitoring information will be available for management and members at any time, and any other relevant persons or organisations with whom data can be shared within appropriate legislation and guidance.

In addition the Department for Works and Pensions carries out 6 monthly monitoring on the amount of awards made to each funding stream: general Discretionary Housing Payment, Local Housing Allowance changes, Benefit Cap and Under Occupancy.

## **5 Financial Implications**

Due to changes in benefit legislation and the Welfare Reform Act, the Government funding allocation is significantly lower for 20115/16 set at £81,772 (compared with £123,008 for 2013/14 and £110,348 for 2014/15). It remains difficult to assess the level of take up, but it is expected that payments will continue to be contained within the Government funding allocations if the recommended Policy is adopted. No further spend will be agreed. The position will be closely monitored and reviewed.