

Discretionary Housing Payments Policy – 2018/19

Introduction

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

DHPs play an important role in sustaining tenancies, preventing homelessness and, where needed, enabling tenants to move to more affordable accommodation. The part that DHP plays in preventing homelessness will particularly important in 2018/19 as the Council delivers the requirements of the Homelessness Reduction Act from 3 April 2018.

DHPs may cover all or part of a shortfall in a tenant's eligible rent or provide the rent-in-advance and damage deposit a tenant may need in order to secure a tenancy. DHPs may be awarded as a one-off payment and/or as a series of payments.

To qualify for a DHP, the claimant must have a rent liability, require further financial assistance with their housing costs, and be entitled to Housing Benefit or a Universal Credit Housing Costs element.

Amount of funding available

The Department for Work and Pensions (DWP) makes grants available to local authorities for DHP purposes. In 2018/19, the total DHP grant budget (shared between all local authorities in England, Scotland and Wales) is £153 million – a decrease of £32m from the previous year.

To help LAs manage the impact of the HB reforms announced in the Summer Budget 2015, the overall DHP funding will be £153 million for 2018/19, a decrease of £32 million (23%) compared to 2017/18 funding. This comprises of funding for four separate areas of support; Core funding, Local Housing Allowance (LHA), Removal of the Spare Room Subsidy (RSRS) and Benefit Cap.

DHP's for Scotland was fully devolved from 1 April 2017 with the Scotland Act 2016 implementing the Smith Commission Agreement.

The £153 million consists of a core amount of £18 million, a Benefit Cap allocation of £54 million, a Social Rented Sector Size Criteria ('bedroom tax') allocation of £54 million and a Local Housing Allowance Reforms allocation of £27 million.

Haringey's share of this £153 million grant is £1,594,345 broken down as follows:

Core amount	£187,570.00	estimated
Benefit Cap	£562,710.00	estimated
Social Rented Sector Size Criteria	£562,710.00	estimated
Local Housing Allowance Reforms	£281,355.00	estimated
Total	£1,594,345.00	Actual

The Council needs to consider how to allocate these limited DHP resources in a way that is not only fair but also supports those that are in most need of assistance. The

Council has the ability to top up the fund by an additional amount up to 150% of the DWP contribution.

Haringey's DHP scheme

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

Although it is hoped that many people will be able to address and resolve their difficulties without the need for a DHP, the Council recognises that DHPs have an important role to play in providing tenants with short term assistance to ease transitions and allow households time to find a way to resolve their difficulties.

The overriding principles of Haringey's DHP scheme are as follows:

- To prevent homelessness and to sustain tenancies;
- All claimants will be treated fairly;
- It is expected that applicants make a contribution to their rent shortfall, unless there is a clear reason why they cannot do so;
- All DHP applications will be assessed on their individual merits (which includes, where relevant, considerations of equality);
- All of the options available to the claimant (including, for example, reducing household expenditure, maximising income, securing employment and/or moving to alternative, less expensive accommodation) will be taken into account when the Council assesses the merits of each application; and
- **In order to be awarded a DHP, claimants must be able to show that their circumstances are exceptional.**

Examples of the shortfalls that DHPs may cover

The Council is not required to spend its overall grant allocation in any particular way, despite the DWP breakdown already referred to. It is a matter for its discretion.

The types of shortfall that a DHP may cover include the following:

- Reductions in Housing Benefit or Universal Credit, resulting from the application of the Benefit Cap;
- Reductions in Housing Benefit or Universal Credit, resulting from the under-occupation of social rented housing;

- Reductions in Housing Benefit or Universal Credit, resulting from Local Housing Allowance restrictions, including the Shared Accommodation Rate;
- Reductions in Housing Benefit or Universal Credit, resulting from non-dependant deductions and the use of income tapers;

What DHPs cannot cover

For the purposes of a DHP, the following elements of a claimant's rent cannot be included in their claim for housing costs because the regulations exclude them:

- Ineligible service charges
- Increases in rent that are due to outstanding rent arrears; and
- Certain sanctions and reductions in Benefit
- Council Tax liabilities incurred under the 2013 onwards Council Tax Reduction scheme

Objectives of this DHP policy

The Council will consider making a DHP award to applicants who meet the qualifying criteria. Assessing all applications on their individual merits, it will consider the extent to which the financial assistance requested will meet the Council's objectives of:

- Sustaining tenancies and preventing homelessness;
- Safeguarding Haringey residents in their own homes;
- Encouraging and sustaining people in employment;
- Helping people who are trying to help themselves;
- Keeping families together;
- Supporting victims of domestic violence to move to a place of safety
- Supporting the vulnerable and elderly in the local community;
- Helping customers through personal and difficult events;
- Supporting young people in the transition to adult life;
- Supporting move on from supported housing, residential settings or institutions;
- Promoting good educational outcomes for children and young people; and

- Alleviating poverty

Support for households affected by welfare reform

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

All applications will be assessed on their individual merits. However, when considering applications, the Council will take into account not just the cash limitations of what remains in the DHP budget but also the extent to which a DHP can help the claimant to overcome temporary difficulties and, if possible, enable them to secure paid employment and/or move to alternative accommodation that they can afford.

The expectation is that DHPs will be awarded in unusual or extreme circumstances where additional help will have a significant effect in reducing the risk of homelessness, alleviating hardship, or alleviating difficulties that may be experienced in the transition from long term benefit dependence into work.

At the discretion of the Council, conditions may be attached to a DHP award, requiring the claimant (for example) to participate in a training or employment programme that will improve their prospects of securing paid employment and so reduce the period that a DHP will be required for. Other conditions may be attached to the DHP to encourage behaviour change and achieve an early resolution of the claimant's difficulties.

It is expected that the vast majority of people will have to face and resolve their difficulties with the understanding and support of their landlords, Jobcentre Plus and the voluntary sector, without requiring a DHP in the long term. The Council understands that DHP has a vital role in providing short term assistance during periods of crisis and in giving vulnerable applicants adequate time to cope with changes, such as moving to a cheaper property, increasing income or decreasing expenditure.

DHPs may be conditional on a household taking reasonable steps to resolve their situation e.g. working with the Benefit Team, employment providers or the Housing Needs Service to improve their employability skills and seek employment. If these steps haven't been taken, or actions recommended by the Benefits Team or Housing Needs Service as part of a personal housing plan have not been followed without good reason, this will be taken into account in determining future awards.

Households affected by the Benefit Cap

The purpose of the DHP funding is to provide short-term, temporary relief to mitigate the most severe effects of the Benefit Cap until a more sustainable solution is found.

Examples of the groups that are likely to be particularly affected by the Benefit Cap include (but are not limited to) the following:

- Homeless families living in temporary accommodation;
- Families living in private rented accommodation;
- Households that are moving to more appropriate accommodation;
- Individuals or families fleeing domestic violence;
- Individuals or families who cannot move immediately for reasons of health, education or child protection;

Given the limitations of the DHP budget and on the understanding that the Council will take all reasonable steps to provide homeless families with temporary accommodation that is not only suitable but has also been procured at the best value possible – the Council will give priority to DHP applications received from the following households:

- Households that need to move to alternative, lower cost private rented accommodation but are working proactively to resolve their situation and the short-term award of a DHP will, in the opinion of the Housing Needs Team prevent the household from becoming homeless or delay homelessness for long enough to enable them to complete a planned move to more affordable accommodation;
- Households that need to move to alternative, lower cost accommodation but are unable to do so immediately (for reasons of health, education or child protection) and the provision of short-term financial assistance will contribute to the achievement of one or more of the Council's DHP policy objectives (see page 3);
- Homeless households that are residing in temporary accommodation (provided by, or on behalf of, Haringey Council) and have either been told, by the Council, that they will be able to remain in the accommodation / area or they are awaiting an offer of alternative temporary accommodation, procured at a lower cost;
- Homeless households that are residing in temporary accommodation (provided by, or on behalf of, Haringey Council) and have been assessed, by the Council, as being particularly vulnerable and needing to remain in the area;
- Households that are living in social rented housing and are, in the opinion of the Housing Needs Team, working proactively with Jobcentre Plus and advice / support providers to secure paid employment, claim Working Tax Credit and become exempt from the Benefit Cap.

All DHP applications will be assessed on their individual merits.

Households affected by the Social Rented Sector Size Criteria

The purpose of the DHP funding is to help those tenants who are unlikely to be able to meet the shortfall in the rent payments and for whom moving to a smaller property may be inappropriate or avoidable.

For claimants living in significantly adapted accommodation, it will sometimes be more cost-effective to allow them to live in their current accommodation rather than moving them into smaller accommodation which then needs to be adapted.

- Households that contain a person with a disability and are living in 'significantly adapted' accommodation;
- Households that contain a disabled child who is unable to share a bedroom because of their severe disabilities, where regulations do not allow for the extra bedroom;
- Households that contain a disabled child and are living in accommodation that has been adapted to meet the child's needs, where regulations do not allow for the extra bedroom;; and
- Households containing someone who has a severe and persisting disability which means that they are dependent on the care and support of relatives and friends who are living in the local community and there is no suitable accommodation available, within the local area, to which they are able to transfer.

Depending on the level of demand for DHPs, the Council may also give priority (albeit slightly less priority than is given to the households affected by the Size Criteria listed above) to DHP applications from the following households:

- Households whose Housing Benefit is restricted by the Size Criteria but that restriction will soon be lifted because the claimant (and their partner, if they have one) will reach the age at which they will be able to claim Pension Credit;
- Households whose Housing Benefit is restricted by the Size Criteria but that restriction will soon be lifted because one or more of their children will soon reach an age when they are not expected to share a bedroom;
- Single people who are pregnant (and childless couples containing a pregnancy) who are living in a two-bedroom home but whose Housing Benefit is restricted by the Size Criteria to a one-bedroom home but that restriction will soon be lifted when the baby is born; and
- Households with exceptional need, which are actively and consistently engaging in seeking to downsize to accommodation that matches their need.

Other households requesting a DHP, including those that are affected by the Local Housing Allowance Reforms

The purpose of the DHP funding is to provide short-term, temporary relief to families and vulnerable people whose Housing Benefit or Universal Credit has been reduced,

due to Local Housing Allowance restrictions (including any LHA Caps, the Shared Accommodation Rate and changes to the way in which LHA is calculated), income tapers and non-dependant deductions.

DHPs cannot assist with the council tax liabilities that residents incur under the 2013 Council Tax Reduction scheme, though a late request can be made for the Council to backdate a DHP claim that is based on the Council Tax Benefit awarded in 2012/13.

All DHP applications will be considered on their individual merits. However, the Council will give priority to applications from households for whom the Council will have a housing duty if they become homeless and households that have children and need to move to alternative, lower cost accommodation but are unable to do so immediately (for reasons of health, education or child protection).

Rent-in-advance, damage deposits and removals

The DHP budget is insufficient to meet the rent shortfalls of the many tenants whose Housing Benefit and Universal Credit will no longer cover their full rent.

In order to provide long term solutions, the Council will help and encourage tenants to move to alternative accommodation that they can afford.

Instead of providing tenants with short term assistance to enable them to maintain the rent payments on a home that they will never be able to afford without a DHP, the Council may decide that it would be better to help those tenants to move to somewhere they can afford, at a much earlier stage, by providing them with the help they require to pay the rent-in-advance, damage deposit and removal costs.

When considering DHP requests for such a purpose, the Council will take into account any damage deposit or rent-in-advance that is due to be returned to the claimants. It will also check that the claimant's new home will be affordable. If it is more reasonable to pay a lump sum to sustain affordable accommodation, we may do so if the circumstances are exceptional. By their nature, the value of these one-off awards will not directly relate to weekly Housing Benefit or Universal Credit Housing costs.

Assessment of applications

When deciding whether or not to award a DHP, the Council will assess each application on its merits (including considerations of equality) and take into account its objectives and such things as:

- The impact that not awarding a DHP is likely to have on the Council's finances and services, especially homelessness, social care, family support and health;
- The size of any shortfall that exists between what the claimant is receiving in housing costs (from Housing Benefit or Universal Credit) and the eligible housing costs for which they are liable, together with the reasons for this shortfall;

- The financial circumstances (income and expenditure, savings, capital and indebtedness) of the claimant, their partner and anyone else living in their home;
- Any special needs or health and social problems that the claimant and/or their family have, and what impact these have on their housing and financial situation;
- The impact that moving home and/or changing schools is likely to have on the family and the educational outcomes of any young people in the household;
- The reasons why, compared to other people, the circumstances of the claimant and their family should be considered 'exceptional';
- The length of time for which a DHP is being sought;
- Any steps the claimant has taken to reduce their rental liability;
- The nature of any contact the claimant has had with Housing Needs Team and their engagement with their personal housing plan.
- The amount of money remaining in the DHP budget; and
- Any other factors that the Council and/or claimant consider appropriate.
- The extent to which the claimant has complied with previous conditions.

The Council will not normally make allowance for any financial loss resulting from the claimant's failure to claim any benefits in a timely manner. No allowance will be made, either, for any debt relating to an overpayment of Housing Benefit.

When the Council has considered the claimant's needs and circumstances, it will decide how much to award. This may be any amount below the difference between the rental liability and payment for Housing Benefit / Universal Credit. The DHP award cannot exceed the weekly eligible rent for the claimant's home.

The award of a DHP does not guarantee that a further award will be made at a later date, even if the claimant's circumstances remain unchanged.

Claiming a DHP

The regulations require a DHP to be claimed.

In most cases, the person who claims a DHP will be the person who is receiving Housing Benefit or Universal Credit, or their partner. However, the Council may also accept a claim from someone who is acting on behalf of that person (such as an appointee or advocate) if the person is vulnerable and requires support.

The Council accepts DHP claims in writing and provides an application form for this purpose. This will also be available through the My Account citizen portal. A letter will also be accepted as a claim and may trigger a referral to Housing Needs Service so that any DHP award can be considered as part of a plan to resolve the applicant's housing issues.

A claim for a DHP will be considered from the date a DHP is requested, but on condition that all supporting information and documentation is received by the Council within one month of that request.

If the Council requires additional information and evidence to assess the claim, it will request this from the claimant in writing, electronically or verbally (over the telephone, face to face or by visit). The claimant must provide this information and documentation within one month of the date of the request.

If the claimant fails to provide the information and documentation on time, the Council will make a decision based on any information it already holds, including the information held on its Housing Benefit computer system. More time may be allowed for some individuals, however, if the Council thinks it is reasonable to do so.

Period of award

The Council will decide on the length of time for which a DHP is to be awarded.

The start date for an award will normally be the Monday following receipt of the claim. However, the Council does have the discretion to backdate an award for DHP if it considers that the applicant's circumstances merit this.

DHPs will normally be paid for a minimum of one week. The length of each award will be based on the individual circumstances of each claimant, but will take into account the date that the tenancy and/or notice period expires.

As an award can only be made for the current financial year, any award that is made for the remainder of 2018/19 will have to be followed by a new application for the next financial year even if the claimant's circumstances remain unchanged.

Although all claimants are entitled to make a fresh claim (for a further DHP) when their existing award comes to an end, the Council will not automatically invite claimants to apply for another DHP.

As DHPs will not usually be regarded as offering a long term solution to a claimant's financial situation, the maximum length of a DHP award (or a series of consecutive awards) will not normally exceed 12 months. Exceptions may be made, in particular for certain claimants affected by the Social Rented Sector Size Criteria and where the Council continues to regard it as inappropriate for the claimant to have to move.

Failure to meet the conditions stated in the award notification or to demonstrate a valid reason why the set conditions could not be met, will lead to the withdrawal of any DHP award.

Request for backdating

The Council will consider any reasonable request for backdating a DHP award. However, these will be limited to the period in which the claimant has been receiving Housing Benefit or Universal Credit and, except where the DHP relates to council tax liabilities arising before 1 April 2013, they will be limited to the current financial year, unless exceptional reasons for a late claim are accepted.

Making a claim in advance

A DHP can usually only be considered for a period when the claimant is entitled to Housing Benefit or Universal Credit.

However, claims can be made in advance, where the claimant is anticipating a change in their situation, such as the forthcoming imposition of the Benefit Cap and the Social Rented Housing Size Criteria.

Notification of decisions

The claimant will be notified, in writing, of the outcome of the DHP claim within 14 days of receipt of the claim and all supporting documentation, or as soon as possible after that.

If a claim is unsuccessful, the Council's decision letter will include an explanation of how the decision has been reached and details of the right of review.

If the claim is successful, the Council's decision letter will include the following:

- The reason for the award;
- The amount awarded;
- The period of the award;
- To whom the DHP will be paid;
- The claimant's duty to report any changes in circumstances and
- Any conditions associated with the award

Changes in circumstances

The claimant must tell the Council if their circumstances change after a DHP is awarded. This is made clear to claimants in the award letter and application form.

The Council may revise a DHP award if the claimant's circumstances have changed.

Payment arrangements

The Council will decide whether the DHP should be paid to the tenant, the landlord or a third party. Rent-in-advance and deposits will normally be paid to the landlord.

Right to request a review

As a DHP is not a payment of Housing Benefit or Universal Credit, it is not subject to the appeals process that operates under those schemes.

Claimants can request a review of a decision to refuse to award a DHP, a decision to award a reduced amount, a decision not to backdate an award for DHP or a decision to seek recovery of an overpayment of a DHP as follows:

- A claimant (or their representative) who disagrees with a DHP decision may request a review. This request must be made in writing, within one month of when the notification was issued, and set out the reasons for requesting a review. (The time limit for requesting a review may be extended if the Council considers it reasonable to do so).
- A DHP Review Panel, will review all of the evidence held and will make a decision within 14 days or as soon as possible after that.
- If the DHP Review Panel decides to change the original decision – perhaps because of new or additional information provided by the claimant – it will issue the claimant with a new decision notification.
- If the DHP Review Panel decides that the original decision was correct, the claimant will be notified of this in writing, with reasons for the Panel's decision.

The DHP Review Panel's decision will be final. In cases of alleged maladministration by the Council, the claimant should follow the Council's complaints process. If a claimant is still unhappy, they have a right to contact the Local Government Ombudsman.

Overpayments

The Council will make every effort to minimise overpayments of DHP.

If an overpayment does occur, the Council will decide whether or not it is appropriate to recover it. If recovery action is appropriate, the Council will send an invoice to the

claimant (or the person to whom the DHP was made) and a written explanation of how the overpayment occurred and the periods and amounts to which it relates.

Where the overpayment is a result of an error made by the Council, recovery will not normally be sought, unless the claimant or person who received the payment could have reasonably known they were being overpaid.

DHP overpayments will not be recovered from payments of Housing Benefit and Universal Credit that are due to the claimant, but may be recovered from any future awards of DHP.

Homelessness prevention

The Council is committed to preventing homelessness and assisting households to resolve any housing difficulties that they are facing. In considering an award of DHP the Housing Benefit Team will work closely with the Housing Needs Team in Homes for Haringey to ensure that DHP is considered alongside other actions needed to resolve the housing situation.

Fraud

The Council is committed to tackling and preventing fraud in all its forms.

If a claimant attempts to claim a DHP by making a false declaration or providing false evidence or statements, they may have committed an offence under the Theft Act 1968. Where the Council suspects that fraud may have occurred, it will investigate the matter as appropriate and this may lead to criminal proceedings.

Publicity

The Council has a responsibility to ensure that it does not limit the legal discretions it may apply, and it is committed to applying this policy fairly and consistently.

It will take steps to maximise take up to make sure that the funds are targeted towards those who are most in need. This policy will be made available on request and via the Council's website: www.haringey.gov.uk

Debt advice

Anyone experiencing debt problems will be signposted to local debt advice agencies (including the Citizens Advice Bureau) for free, confidential, impartial advice.

Policy review

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

The Council may also, during the course of any year, review and reconsider whether it should allocate any of its own resources towards the overall DHP budget.