

## **Hertsmere Borough Council Discretionary Housing Payments (DHP) Policy**

The regulations covering DHP's are the Discretionary Financial Assistance Regulations 2001. The regulations are supplemented with a DWP DHP Guidance manual which informs and supports this policy.

Discretionary Housing Payments are awards of further financial assistance made outside of the benefits scheme. The awards are discretionary and it is up to the council to decide who is entitled. However, the awards must be solely used to pay for housing costs.

Housing costs are not defined in the regulations but in general housing costs means rental liability. Although, housing costs can be interpreted more widely to include:

- Rent in advance
- Deposits
- Some other lump sum costs associated with a housing need such as removal costs

Although in most cases, these payments would be made by Hertsmere's Housing Initiative Team, which deal with this to prevent homelessness. They can be contacted on 02082072277. If they are unable to assist then you will signposted to the DHP team or referred internally. Please also see:

- [Assistance Scheme - Hertsmere Borough Council](#)
- [Landlord schemes - Hertsmere Borough Council](#)

Following the abolition of council tax benefit from 1st April 2013, DHP's can no longer be made towards council tax liability.

Further financial assistance is not defined in law. The level of award may cover all or part of a shortfall in rent or assist with the cost of taking up a tenancy.

### **Funding**

The Department of Work & Pensions provide the funding for DHP awards that can be topped up by the LA.

The level of DWP funding changes each year but is published on the Government website.

### **Purpose of the DHP award**

The objective of an award of DHP is to:

- Support tenancy sustainment and homelessness prevention
- Alleviate poverty
- Encourage and sustain people in employment
- Assisting people who are long term unemployed to return to work

- Safeguard residents in their home
- Assist those who are helping themselves
- Support domestic violence victims who are trying to move to a place of safety
- Support the vulnerable or the elderly in the community
- Support young people in the transition to adult life
- Keep families together
- Help claimants going through personal crises and difficult events in order to provide tenants with time to re-assess their situation, find a long term solution and tenants with time to obtain professional money advice
- Where possible to provide some transitional protection so that claimants are not substantially worse off due to any ongoing Welfare Reform
- Promote good educational outcomes for children and young people

## **DHP and the Benefit Cap**

From April 2013, the total award for household benefit payments for working age claimants has been capped. The benefit cap is intended to increase work incentives for those in receipt of housing benefit (HB) considered to be in work and exempt from the benefit cap if they are entitled to working tax credit. There are other exemptions for those in receipt of certain other welfare benefits or circumstances.

The DHP funding is intended to provide short term temporary relief to families who may face a variety of challenges while preparing for work, or to move to more appropriate accommodation if unable to do so. DHP is specifically aimed at a number of groups who are likely to be particularly affected, including:

- Those in supported, exempt or temporary accommodation
- Individuals or families fleeing domestic violence
- Those with kinship care responsibilities
- Individuals or families who cannot move / start work immediately for reasons of health, education or child protection
- Households moving to more appropriate accommodation

## **DHP and Under Occupancy / Size Criteria**

From April 2013 working age claimants in the social rented sector may face a reduction in their eligible rent for HB if they are under-occupying their property. The level of under-occupation is determined by the Local Housing Allowance (LHA) size criteria, (the shared accommodation rate does not apply in the social rented sector).

The reduction in eligible rent will be

- 14% where there is under-occupation by 1 bedroom
- 25% where there is under-occupation by 2 bedrooms or more

DHP is intended for those affected by this measure who are unlikely to be able to meet the shortfall and for whom moving to a smaller property may be inappropriate. It is aimed mainly at 2 groups but the list is not exhaustive –

- Disabled people living in significantly adapted accommodation – including any adaptations made for disabled children
- Foster carers, with two or more placements, whose HB is reduced because of a bedroom being used by, or kept free for, foster children. (*The rules for under-occupancy in the social & private sector only allow for one additional bedroom for a foster child or children living with an approved foster carer no matter what the circumstances are.*)

## **Types of shortfalls DHP's cover**

The DHP funding is intended to provide short term temporary relief to families who may face a variety of challenges which prevent them from being able to move immediately or to help families move into more appropriate accommodation.

- Rent restriction cases. This is to allow claimants time to find cheaper accommodation and prevent homelessness. The Council must still be satisfied that the individual needs financial assistance. In these instances, help will normally be awarded for a reasonable period of time to allow the individual to find alternative accommodation, negotiate a lower rent with their landlord or budget to meet the shortfall
- LHA cases. Claimants that come under the LHA scheme have the ability to determine the LHA rate applicable for their needs prior to accepting a tenancy, and should be aware of its affordability
- Shortfall in rent due to a non-dependant deduction being taken
- Shortfall in rent due to income tapers that are set by central government
- Claimant / claimant's dependants receiving medical care or expenses incurred because of a medical condition. We will consider the claimant's circumstances and extra cost he/she has to pay because of the condition. The onus is on the claimant to provide evidence from health professionals, social workers and any other professional bodies
- Joint custody/access/restricted access for visiting children
- Claimants affected by the social sector size criteria and who are living in a substantially adapted property which has been adjusted to meet the needs of their / their children's' disability
- Claimants affected by the social sector size criteria but who are foster carers with two or more placements and are fostering or are keeping more than one room spare between placements
- Rent Deposits/Moving Costs for claimants that will be financially better off moving to a more affordable property. (Please see Rent Deposit/Moving costs guide below)
- Awards can be made for starting work or changing job and there is an increase in essential work related expenditure. Awards can also be made if

the claimant has had to move and as a result now incurs greater work expenses

- Short term shortfalls due to the shared room restriction being applied to those under the age of 35
- To alleviate accommodation size restrictions when the claimant or their partner is 6 or more months pregnant and a new child would mean that the revised HB award would reasonably meet the contracted rent
- Rent shortfall to prevent a household becoming homeless whilst the housing authority explores alternative options
- Reductions in HB or UC as a result of local housing allowance restrictions
- LHA rate for claimants whose 52/13 week protection has expired
- Under occupancy charges for claimants whose 52/13 week protection has expired

## **DHP and Rent Deposits/ Moving Costs/ Two homes**

If not supported by Hertmere's Homeless Initiative Teams, claims can be made for rent deposits or rent in advance if you need to move home. In order to qualify for a DHP for rent deposits and/or moving costs (excluding rent in advance) you need to prove that moving to another address will result in a more affordable level of rent or it will be beneficial to the household in line with the objectives of the award of DHP.

DHP can be awarded on two homes when someone is treated as temporarily absent from their main home, for example because of domestic violence. If the claimant is treated as liable for rent on both properties and in both cases there is a shortfall, they could have DHP in respect of both properties, subject to the weekly limit on each property.

In some cases we reserve the right to pay the rent deposit direct to the landlord. In these cases evidence of tenancy take-up will be sought as well as agreement with the landlord for accepting the rent deposit. It should be noted that consideration will be given to the HB rules regarding payment on two homes before a DHP award can be considered.

## **What DHPs cannot cover**

DHPs cannot be paid in the following circumstances:

- To cover service charges, hot water/heating charges, water rates or other non-housing costs that may be included in the rent as set out in the tenancy agreement
- Increases to cover rent arrears, such as a rent increases due to previous rent arrears, are not eligible for HB so a DHP can't be considered
- Awards will not be made where hardship has been created by the acceptance of an Administrative Penalty or the recovery by deduction of an overpayment of HB and UC, in cases of proven fraud or otherwise, because it negates the punishment

- Reduction in any benefit as a result of welfare benefit sanctions following certain benefit related offences

## **Who can claim?**

Claimants can be considered for DHP if:

- They are already receiving HB or Universal Credit (UC)
- They have a rental liability
- It appears they need further financial assistance with their housing costs
- The HB award is less than the rent liability (where the award is made to fund a shortfall in rent)
- The UC payment, is less than the UC award

Claimants will not be considered for DHP if:

- They get the same amount of HB as the actual rent used when calculating the award
- They have received adequate notice of a change in legalisation, which would entitle them to a lower HB award, UNLESS the claimant can prove that they have attempted to change their circumstances or can prove that they have personal circumstances that have hindered their ability to handle their shortfall

## **Making a Claim**

All claimants will be expected to complete the same Hertsmere Borough Council online application form to ensure consistency. Only the information contained within the form will be considered and therefore it is essential that applications are completed fully and supporting evidence supplied. Once the form is received we may contact the claimant for further information. Application forms can be obtained from Housing Benefit and Council Tax Support - Hertsmere Borough Council or from Hertsmere Borough Council, Benefits Department Civic Offices, Elstree Way, Borehamwood, WD6 1WA Email: [benefits@hertsmere.gov.uk](mailto:benefits@hertsmere.gov.uk) Tel: 02082072277. For more detailed information regarding DHP, contact the Revenues & Benefits Department:

Where the claim is made due to financial hardship, current details and proof of all outstanding debts and essential expenditure must be supplied with the DHP claim form. Where the claim is made due to rent arrears, a current rent statement (Housing Associations) and proof of all outstanding debts and essential expenditure must be supplied with the DHP claim form. If a new award is applied for, fresh details must be supplied. A new award is not an extension of a previous award made and will therefore be considered afresh; progress of debt repayment and rent arrears may however be reviewed and if the debt is increasing DHP support may be withdrawn.

If the rent has been restricted as a privately rented property is too expensive or overly large under the LHA scheme or a Rent Officer decision, once an initial award

of DHP is made, proof of attempts to renegotiate or move must be supplied with any further requests at the same property.

## **DHP decision**

Any initial DHP decision will be made by a DHP officer and any further review of the decision itself will be done by an appeals officer.

There are several possible outcomes of a DHP application:

- DHP is refused
- DHP is awarded in full
- DHP is awarded in part i.e. less DHP paid than requested or paid for a shorter period
- Further information is required and will be requested from the claimant / claimant's representative.

## **Notification details**

Hertsmere Borough Council will notify the claimant of the decision. If awarded, the notification will specify:

- Period of the DHP award
- Weekly or lump sum amount of DHP
- The right of the claimant to ask for a review of the award and the time and manner of doing so
- The right of the LA to amend, suspend or cancel a DHP when appropriate

## **Start dates**

The start date of the DHP payment will normally be the Monday following the date the written request was received. If a claim is received at the same time as an HB claim the start date of the DHP can be matched to the start of the HB. In other cases a DHP award/payment may be made retrospectively if the claimant can show compelling reasons for the delay in making the DHP claim e.g. if they were in hospital etc. So payments may be made from an earlier date if it is considered reasonable given the circumstances of the case.

## **Length of award**

Awards may be made to:

- the end of the financial year
- tie in with an expected change in circumstances
- a date considered reasonable, given the circumstances of each case

When considering a DHP claim it should be taken into account that the DHP scheme should in most cases be seen as a short-term award. Claimants must be made aware that they must seek advice with regard to their housing needs and ways to manage financially in the long term. DHP may be paid indefinitely in some particular circumstances but will be reviewed periodically.

## **Payments**

DHPs can be paid:

- To the claimant (Or an appointee/representative in some instances)
- To the claimant's landlord (Or managing agent/representative)

DHP should normally be paid to the person who receives the benefit payments. For example, if the HB is paid to the claimant, then the DHP will be paid to the claimant as well. However, where it is considered that it is not reasonable to pay the claimant directly, payment can be made to another payee (As above)

DHP will be paid alongside HB payments, so regular DHP payments will mirror the payment frequency cycle used to pay claimants HB but lump sum payments will be one off payments.

DHP for UC only claimants will be paid monthly, so regular DHP payments will mirror the UC payment frequency cycle, but lump sum payments will be one off payments.

## **Change in circumstance**

Claimants must report, in writing, any change in circumstance that might affect the amount of DHP they get. Examples of these changes are below but the list is not exhaustive:

- If they change address
- If their income changes
- If the household make up changes

## **Overpayments**

The Council may seek recovery of an overpaid DHP in certain circumstances such as:

- Misrepresentation or failure to disclose a material fact, fraudulently or otherwise
- An error made when the claim was determined
- Failure to report a change in circumstances

## **Reconsideration of decisions**

There is no formal appeals process against a DHP decision in the event of disputes. In the case of a dispute, if requested by the claimant/their representative, the original decision will be reviewed by a senior member of staff/appeals officer in the Revenues & Benefits department who was not party to the original decision as soon as practicable. Once a reconsideration has been completed the officer will write to the claimant informing them of the decision.

The council will not make any further decisions on this. If you remain unhappy you can either make a complaint about the process. If you are still unhappy at how your claim has been dealt with you can contact the [local government ombudsman](#).

If you feel our decision is wrong on a point of law you can seek a Judicial Review but you will need to seek legal advice for a Judicial Review.

## **Appendix A (For INTERNAL USE)**

### **Guidelines for awarding a DHP**

Each case will be considered on its merits and the following guidelines should be used to assess each case:

- Is the claimant in receipt of all welfare benefits and social assistance (Including cost of living) that are available to them?
- Are there any pre-existing HB protections or welfare benefit transitional protections that could or should apply instead of an award of a DHP?
- Are there any other funding schemes available via charitable or other similar organisations that would be appropriate to use instead of a DHP?
- Does the claimant have the opportunity to increase their income?
- Is the customer seeking / or has the customer accepted assistance from the Council or a third party to manage finances and accepted the ceasing of non-essential expenditure?
- Are there any social or health problems currently being faced by the claimant and/or their family? Do they prevent claimant moving house? Do they affect the type of housing available to the claimant? Do they cause the claimant extra financial costs? Are there young children of an educational age living in the property? The award of the DHP should be made to tie in with the academic school year to ensure that children are not displaced from their school environment wherever possible.
- Does an individual or child within the family have particular problems e.g. special needs which are likely to cause the family to have higher costs e.g. travelling to hospital appointments or special dietary requirements?



- Is there a pregnancy within the family? If so consider giving them time to move by awarding DHP up to 3 months either side of the birth or longer if the case warrants it. Consider what has brought about the shortfall, is it due to rent being restricted because the property is larger than the household needs? Will this be resolved when the baby is born?
- Is there any other member of the household who could provide financial assistance?
- Does the claimant have any disregarded income? If the claimant is working, is it reasonable to expect them to use their disregarded income towards their shortfall (no other forms of disregarded income e.g. Disability Living Allowance)
- Is there currently a danger of eviction and homelessness that has previously not been addressed? If so, was there any progress after the intervention of a DHP? Liaise with the Housing Options team to ensure joint working.
- Are there any savings or capital held by the household that could be used to assist?
- Are there any other priority debts that the claimant has incurred?

### **What is likely to happen to the family if a DHP is not awarded?**

Consider that the regulations concerning payment on 2 Homes could help to cover a period of notice needed if the claimant must move in order to avoid a need to extend the DHP award. (Ensure that the claimant has moved into the new property for that rule to be applied)

Is there evidence that the customer is finding it difficult to find a new property to move to? Liaise with the Housing Options team to ensure joint working.

Is it clear that the claimant cannot afford to live in the property or will not be able to afford to continue to live in the property, even after assistance has been considered or further considered? Are smaller or less expensive properties available?

Have they considered moving to a more affordable property? If so will they benefit from having moving costs/rent deposit paid for the new property?

The Council will not normally make any allowance for the following: Any loss resulting from the claimant's failure or unreasonable delay in claiming any income to which they are entitled any debt arising from an overpayment of HB classified as fraud or otherwise.

Any debt/unreasonable use of disposable income, which appears to be because of the financial imprudence of the claimant.