

Draft Discretionary Housing Payment Scheme

Discretionary Housing Payment
Scheme

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Draft Discretionary Housing Payment Scheme

Contents

1. Overview of scheme	
2. Under occupation social housing (known as “Bedroom Tax”)	
a Properties with disabled adaptations	
b Foster carers	
3. Criteria	
4. Treatment of income and expenditure	
5. Awards	
6. Right of review	
7. Exceptional circumstances	

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Draft Discretionary Housing Payment Scheme

a) Overview of scheme

The overview of the scheme is defined by national Housing Benefit legislation and is not subject to any localised Halton Borough Council discretion.

Discretionary Housing Payments (DHP) provides claimants with further financial assistance, in addition to any welfare benefits, when the Council considers that help with housing costs is required.

Discretionary Housing Payments are available to claimants who are entitled to:

- Housing Benefit (HB), or
- Universal Credit (UC), and
- Have a rental liability, and
- Require further financial assistance with housing costs

The level of award may cover all or part of a shortfall in rent or assist with the cost of taking up a tenancy.

The various types of shortfalls that a DHP can cover include:

- under-occupation in the social rented sector
- benefit cap has been applied
- Local Housing Allowance restrictions
- rent shortfall (in part or in full) between eligible rent and HB award
- non-dependant deductions
- income tapers
- reductions in HB or UC

In general, 'housing costs' means rental liability and include:

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

Discretionary Housing Payments cannot be awarded towards:

- Ineligible service charges (example – gardening charges, water charges, meals)
- Support charges (example – charges which relate to care or supervision)
- Increases in rent to cover rent arrears which are not liable for HB
- Sanctions and reductions in benefit (including HB overpayment recovery action)
- Amounts of HB/CTB that have been suspended

Draft Discretionary Housing Payment Scheme

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- Rent where a person is getting support through a Council Tax Reduction Scheme (CTRS) but not HB or UC

b) Under occupation social housing (known as “Bedroom Tax”)

In April 2013 the Government brought in a number of Welfare Reform changes that included changes to the amount of Housing Benefit that some people receive. These changes included the Bedroom Tax and the Benefits Cap.

Applications received from tenants affected by the Bedroom Tax will be treated differently under certain circumstances. This is because the Government granted additional DHP funds to Local Authorities to assist with specific household groups including foster carers or properties with a disabled adaptation.

The introduction of the Bedroom Tax means a working-age claimant living in the social rented sector may face a reduction to their eligible rent if they are under-occupying their property.

The rates of reduction to the eligible rent for those affected by this measure are:

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

Social Housing tenants who are treated as under occupying their home may apply for Discretionary Housing Payment to assist with the shortfall of payments between Housing Benefit and their rent charge.

DHP may be claimed to give short-term, temporary relief to families who may face a variety of challenges whilst they adjust their finances, are unlikely to be able to meet the shortfall and for whom moving to a smaller property may be inappropriate or impossible.

Whilst any claimant affected by the Bedroom Tax can apply for DHP, central Government (circular S1/2013) has provided an additional £30m (nationally) Discretionary Housing Payment funding to assist claimants in two main groups:

- **Disabled people living in significantly adapted accommodation** – including any adaptations made for disabled children; and
- **Foster carers**, whose housing benefit is reduced because of a bedroom being used by, or kept free for, foster children.

Guidance in this area will be subject to a 12 monthly review and depending on allocation of funding from the Government.

Draft Discretionary Housing Payment Scheme

2.1. Properties with disabled adaptations

Any application received where the claimant indicates the property is adapted for a disability for themselves (or a member of their family) will require further investigation regarding the adaptation before decision-making on award.

Where it is a non qualifying adaptation (see Table 1 below) the application will be decided based on normal under-occupancy guidance and an income / expenses check carried out.

Where there are qualifying adaptations (Table 1 below) then an award of Discretionary Housing Payment will be made to meet the shortfall between Housing Benefit and the rent charged, irrespective of income and expenditure.

This award will be made for the remainder of the financial year from the date of application subject to funds being available.

Table 1 below shows a listing of the qualifying and non-qualifying adaptations. This list is not exhaustive and other adaptations may be considered that are not listed.

Table 1

Qualifying Adaptation	Non-Qualifying Adaptation
Internal & external widening of doorways	Grab-rails only
Level Access Shower facility	Stair-rails only
Installation of Wet Room	Level taps only
Hoists installed	Other non-structural changes to property
Ramps	
Stair-lift	
Other structural changes to property	

2.2. Foster carers

Under Occupation (bedroom tax) regulations allow for one additional room to be granted to a household where the claimant is registered to provide foster care and/or are currently providing foster care.

Any applications received will be granted an award to meet the shortfall between Housing Benefit and rent charge irrespective of income and expenditure.

Draft Discretionary Housing Payment Scheme

The award will be granted for the remainder of the financial year from the date that the application has been made subject to funds being available.

c) Criteria of scheme

For all other claimants affected who are not in the above groups, applications will be considered based upon an assessment of the household income and expenses.

Decisions to make an award of Discretionary Housing Payment will be based upon demonstration of hardship and an inability to meet the rent payments themselves.

In addition to the shortfalls in rent due to Welfare Reform changes as stated above, Discretionary Housing Payment can also be made for shortfalls due to a variety of reasons including:

- Local Housing Allowance restrictions
- Benefits Cap
- Rent shortfall (in part or in full) between eligible rent and HB award
- Non-dependant deductions
- Income tapers
- Reductions in Housing Benefit or Universal Credit
- Removal Costs (max £100)
- Rent in advance (but not for social landlords)

4. Treatment of Income and expenditure

The Discretionary Housing Payment application requests an individual to list their weekly expenses across a range of essential and non-essential expenditure.

Table 2 below gives a definition of the expenses that will be considered allowable.

Draft Discretionary Housing Payment Scheme

Table 2: Types of Expenditure

Essential Expenditure
Rent
Mortgage
Council Tax
Water Rates
Gas
Electricity
T.V Licence
T.V rental
Telephone (allowance for 1 phone)
Food
Public Transport
Clothing (allowance per person in household)
Broadband Internet Services
Disability related expenses
School Meals / children's travel to school
Child Minding/Nursery fees
House Insurance / Life Insurance

Draft Discretionary Housing Payment Scheme

Overdraft facility / loan repayments

Any amounts that can be attributed to a bank overdraft facility, loan repayments (including catalogues, pay day loans or other money lenders) will be allowable on the first DHP application received.

The individual will be referred for money advice and budgeting with the Councils Money Advice Team and will be expected to seek guidance from the service with their finances.

If the individual does not seek this guidance, then upon receipt of a subsequent application (during a 12 month period) the expenses will not be allowable.

4.1 Variance of essential expenses

The amount of expenses that are listed as an essential expense often varies between individuals and households.

There are no recognised standards on the amounts that could be considered as excessive for expenses such as heating, light, water or food.

Upon receipt of a first application during a rolling 12 month period the total allowable (essential) expenditure will be multiplied by 1.5 in order to take consideration of a household change in circumstances or finances. This will give an allowance for non-essential expenses on this application whilst the household adjust their circumstances before applying for DHP again in the future.

Subsequent applications made during a rolling 12 month period will not provide an allowance for non-essential expenditure and only the expenses that are deemed allowable (Table 2 above) will be considered.

4.2 Treatment of Disability Living Allowance (DLA) income

Disability Living Allowance (DLA) will be considered as income in the assessment of Discretionary Housing Payment on the basis that the claimant is expected to have listed their disability related outgoings within their expenses.

Where an application is refused on the grounds of income being more than expenditure, a further check will be carried out with Income & Assessment Team to attempt to verify their disability related outgoings.

Where information is not held with the Team, the claimant will be requested to provide details of any disability related expenses. A list of the types of disability related expenditure (used by Income & Assessment Team) that could be taken into account will be provided to the claimant to help ensure all applicable outgoings are identified.

Draft Discretionary Housing Payment Scheme

5. Discretionary Housing Payment awards

5.1 Amount of awards

Where it is decided to grant a DHP, the amount awarded will be decided as the lower of:

- a) The difference between the claimants' income and expenses assessment OR
- b) The amount of eligible rent shortfall OR
- c) An amount defined as a DHP Maximum Limit which is set as a percentage of the eligible LHA rate (Local Housing Allowance cases) or a percentage of the Housing Benefit eligible rent in cases of RSL's (Registered Social Landlords).

The DHP Maximum Limit amount shall be decided by an amount of a percentage as the Authority shall from time to time determine.

Examples of how the scheme will operate are shown at Appendix 1.

Applications can also be considered for lump sum amounts in relation to:

- Removal costs (Max £100)
- Rent in advance (Housing Solutions cases only)

Individuals who are receiving support from Housing Solutions to be re-housed will be considered for a payment of Discretionary Housing Payment for rent in advance at the start of a tenancy.

Where an individual is not getting any assistance from Housing Solutions their application will be assessed upon their need and consideration of their income, expenses and ability to pay a rent in advance themselves or through family / friends.

Where the need for support is identified a contribution towards the rent in advance payment will be made, ranging between 50% and 100% depending on the individual circumstances

- Any requests for Discretionary Housing Payment to cover rent in advance for social landlords will be refused except where there is evidence of homelessness or the individual is currently occupying homeless accommodation.

Draft Discretionary Housing Payment Scheme

5.2 Length of award

An award will be granted for a period of 12 weeks or less if the circumstances of the claimant require this.

The length of award will be determined by the circumstances of the application:

- One off payment to assist with rent in advance or removal costs to move to alternative accommodation
- Up to a 12 week period awards to assist with rent shortfall as a result of any welfare reforms or general shortfall between Housing Benefit award and rent an individual pays to their landlord
- Annual award for those affected by welfare reforms and who are in substantially adapted properties or foster carers

5.3 Number of awards

A claimant may only receive three awards from the Discretionary Housing Payment fund during any rolling 12 month period.

6. Rights of Review

The claimant or their authorised representative will have the right to request that the decision be reviewed.

When requesting a review of a decision, the claimant will be expected to give reasons why they feel the original decision should be reviewed and provide additional information to support the request if appropriate.

The review process has two stages:

Stage 1 – Officer Review

Senior Officer carries out a review of the initial decision and consideration will be given to the claimants' reasons for review.

There is no time limit in which to ask for a Review.

Draft Discretionary Housing Payment Scheme

Stage 2 – Members Review

The appeal is submitted to Committee Services and is referred to an Appeals Panel, which consists of three Members of the Council.

An oral hearing is arranged with an officer of the Benefits Service, the claimant (appellant) and three Members of the Council.

There is no further right of review, however, the claimant or their representative will retain the right to make a complaint through the Council's complaints procedure or the Local Government Ombudsman.

7. Exceptional circumstances

This document offers advice and guidance for staff assessing claims for DHPs. Each case, however, will be judged and assessed on its individual merits.

All cases are considered on an individual basis and where they are deemed to have exceptional circumstances then a panel of officers will review such cases to apply further discretion to the application.

8. Amendments to guidance

Amendments to this guidance can be made at any time during the year by way of:

- 8.1 Full review of guidance to be put forward to Corporate Services Policy and Performance Board to revise the guidance in significant areas of impact
- 8.2 Minor amendments to the guidance can be approved by the Strategic Director (Policy & Resources) or Executive Board Member (Policy & Resources). Such amendments that are deemed as minor include:
 - i. number of awards a person can receive in any rolling 12 month period
 - ii. allowable amount relating to household expenses upon receipt of a first application whereby an allowance is granted for non-essential amounts

Draft Discretionary Housing Payment Scheme

Appendix 1 – Examples of DHP Awards

- In each of the examples below the figures provided are weekly.
- The “household essential expenses” includes the amount of “rent shortfall” so that the rent the individual has to pay is taken into account in their expenses.
- In LHA cases a DHP Maximum Limit is applied as a set percentage of the household LHA rate. In the case of under 35 year olds, it is a percentage of a one bedroom LHA rate.
- In RSL cases the DHP Maximum Limit is applied as a set percentage of the household HB eligible rent.

Example 1.1 – Local Housing Allowance

Step 1

Household income	£100
Household essential expenses	£160
Excess difference	£ 60

Step 2

Rent	£100
Housing Benefit award	£ 80
Rent Shortfall	£ 20

Step 3

In order to safeguard and protect against payments towards excessively high rents, a DHP Maximum Limit will apply to some cases

DHP Maximum Limit award at 50%	£ 46	(limit is based on an LHA rate of £92)
Potential Award	£ 20	(rent shortfall amount)

Draft Discretionary Housing Payment Scheme

Example 1.2 – Local Housing Allowance

Step 1

Household income	£225
Household essential expenses	£300
Excess difference	£ 75

Step 2

Rent	£130
Housing Benefit award	£ 30
Rent Shortfall	£100

Step 3

DHP Maximum Limit award at 50% **£ 46** (Max Limit is based on an LHA rate of £92)

Potential Award **£ 46** (DHP Maximum Limit)

Example 2.1 – Registered Social Housing Tenant

Step 1

Household income	£ 90
Household essential expenses	£150
Excess difference	£ 60

Step 2

Rent	£ 80
Housing Benefit award	£ 60
Rent Shortfall	£ 20

Step 3

DHP Maximum Limit award at 50% **£ 40** (Max Limit is based on eligible rent)

Potential Award **£ 20** (Rent Shortfall)

Draft Discretionary Housing Payment Scheme

Example 2.2 – Registered Social Housing Tenant

Step 1

Household income	£ 90
Household essential expenses	£180
Excess difference	£ 90

Step 2

Rent	£ 80
Housing Benefit award	£ 25
Rent Shortfall	£ 55

Step 3

DHP Maximum Limit award at 50%	£ 40	(Max Limit is based on eligible rent)
Potential Award	£ 40	(DHP Maximum limit)

Example 3 – Under 35 year old (Local Housing Allowance)

Step 1

Household income	£110
Household essential expenses	£155
Excess difference	£ 45

Step 2

Rent	£140
Housing Benefit award	£ 55
Rent Shortfall	£ 85

Step 3

DHP Maximum Limit award at 50% (£92.00)	£46	(Max Limit is based on one bedroom LHA rate of £92.00)
Potential Award	£45	(difference between income and expenses)