

## **Discretionary Housing Payments Policy**

### **Introduction**

This policy sets out how the council will consider awarding Discretionary Housing Payments (DHPs). The policy will help us to be flexible and consistent when making our decisions.

An award of a DHP is at the council's discretion and we will consider each case on its own merits. DHPs are to help our residents with some types of housing costs when they most need it and may be a short term or one-off payment.

### **Background**

The council must follow legislation and government guidance when considering how to award DHPs (Discretionary Financial Assistance Regulations 2001, The Department of Works and Pensions DHP Guidance Manual February 2021 and good practice guide).

The main features of the scheme are:

- how the council will use its discretion to apply the scheme
- the resident must be entitled to Housing Benefit (HB) or Universal Credit (UC) with housing costs included and have a liability to pay rent
- the weekly DHP amount awarded must not be more than the maximum HB that could be awarded
- a one-off award can be made for some housing costs, such as rental deposits, rent in advance and removal costs.
- the total amount that can be paid by in any financial year is cash-limited by the government

This policy applies to payments to residents who receive Housing Benefit or Universal Credit. Any payments to residents who only receive Council Tax Support are covered by the council's Discretionary Hardship Policy.

This policy has been agreed by the council's Executive Cabinet and will be reviewed each year or as required in response to changes in the law or Government guidance.

### **Purpose**

This policy sets out how the council will manage the DHP scheme and what we will consider when deciding if a DHP can be made.

The policy will be applied in line with relevant legislation and guidance.

**The purpose of the DHP scheme is to provide residents suffering financial hardship with further financial assistance towards certain housing costs.**

### **Objectives**

In deciding when to make a DHP award, the council hopes to:

- relieve poverty
- support vulnerable or elderly people in our community

- support young people moving to adult life
- prevent families and young people living in temporary accommodation
- help people to move to affordable accommodation
- encourage and keep people in employment
- prevent homelessness and keep families together
- help to keep a tenancy whilst other solutions are put in place
- help people through personal crises and difficult events
- help those who are trying to help themselves
- support residents affected by the benefit cap, reductions in local housing allowance and removal of the spare room subsidy in the social rented sector

### **Qualifying criteria**

Each application will be dealt with individually and a decision made based on the resident's circumstances.

A resident must

- Receive HB or UC including the housing element
- Be liable to pay rent
- Require further help with housing costs

DHPs may be awarded for:

- shortfall in rental liability (except ineligible housing costs)
- rent in advance
- deposits
- other lump sum housing costs such as removal costs

DHPs may not be awarded for:

- ineligible service charges,
- a shortfall due to a benefit sanction or overpayment being paid back
- where a means test shows a resident has enough income
- increases in rent due to rent arrears
- where the resident cannot afford the property
- a period which is, or will later be, covered by UC or HB
- where a tenancy is unsustainable in the long term
- if supporting evidence is requested but not supplied
- arrears where time has run out to recover them by court action
- arrears where there is a break in a HB or UC application
- rent in advance where a resident has already moved in

### **Priority considerations**

Any resident who meets the qualifying criteria may apply for a DHP. However, we will give priority to those residents in any of the following circumstances:

- Families at risk of losing their home
- Where there are dependent children
- There is a threat of homelessness as a result of an emergency such as fire or flood
- Where support is required for those who are vulnerable due to:
  - a) Drug or alcohol issues

- b) Mental health issues
- c) Fleeing actual or threatened violence
- d) Learning difficulties
- e) Leaving the Armed Forces
- f) As a result of having been imprisoned
- g) Young people leaving care
- h) Old age, disability or medical circumstances

### **Other factors considered**

In deciding whether or not to award a DHP the council will consider the following:

- a) The shortfall between the amount of HB in payment (or housing element of UC) and the eligible rent payable
- b) Any non-dependant deductions which DHPs can cover
- c) Any steps taken by the resident to reduce the rental liability, for example whether the resident has tried to find cheaper accommodation
- d) Whether the resident is taking long term action to help their problems in meeting housing costs
- e) Where affected by the social sector size criteria rules, whether the resident has approached their landlord requesting accommodation with fewer bedrooms, considered taking in a lodger to help with housing costs or tried to find cheaper more suitable accommodation
- f) Whether the resident made enquiries regarding the Local Housing Allowance before moving into the property and what steps they put in place to meet the shortfall
- g) Rent arrears may be paid where there is evidence that the resident is taking steps to move to a better situation such as alternative accommodation or into employment
- h) The financial circumstances of the resident. Expenditure above basic living requirements can affect the amount of an award. A DHP is not intended to enhance a resident's lifestyle
- i) The council will decide which income to consider when deciding on the level of DHP. For example, income from Disability Living Allowance will be disregarded
- j) The council will decide which expenses are to be considered when deciding on the level of a DHP. Expenses relating to travel and care needs (including an additional bedroom requirement due to a disability need) may not be considered
- k) Access to savings or capital held by the resident, their family or household
- l) Other financial support which has been explored such as rent deposit schemes and local emergency support
- m) The medical circumstances of the resident and members of the household
- n) Any special reasons that make it necessary for the resident or the household to live in a particular property or area
- o) Providing additional support for disabled children or non-dependents who need an additional bedroom for an overnight carer

- p) Any special or exceptional circumstances which the resident lets us know about

### **Applications**

An application for a DHP should be made online.

An application should be made to the authority where HB or UC is in payment.

We may request evidence in support of an application. You must provide this evidence within a month.

We may check any information or evidence provided with third parties.

### **Period of award**

The council will decide the start date of the claim for DHP.

We will not usually award a DHP for longer than 12 months.

We will consider any reasonable request for backdating a DHP. All requests should give the reasons why the application was not made earlier.

A backdate request must be made within 3 months of the period for which the application is made. Awards will only be backdated where there has been an entitlement to HB or UC for that period.

### **Amount of award**

The council will decide the amount of any DHP award. We may decide not to award anything or may award any amount up to the most the law allows.

When considering whether to award a DHP and the amount, we will consider:

- how much HB or UC the resident receives
- rent liability
- whether HB has been restricted by the Rent Officer Service, the amount of Local Housing Allowance or the council
- steps taken by the resident to reduce their rent liability.
- financial, social and medical circumstances
- income and essential expenditure in line with the Shared Financial Statement
- any savings or capital
- steps taken to obtain extra income or to reduce expenditure
- the level of debt
- any exceptional circumstances
- any previous DHPs including the number, length and dates of awards and what action the resident has taken to reduce the need for a DHP
- the impact on the resident if a DHP is not granted
- the money available to the council to spend on this scheme
- whether the need can be met elsewhere e.g. rent bond guarantee scheme.
- whether the resident was able to meet their housing costs without further help.

The award of a DHP at one time does not guarantee we will make a further award in the future, even if circumstances remain the same.

We may ask that you take action to try to improve your circumstances as a condition of any award. This could include actively searching for alternative accommodation, debt counselling or engaging with the council's housing team to make sure you get housing advice.

### **Payment of award**

We will decide who to make payment to. We can pay a DHP to someone other than the resident if we think this is reasonable. We will normally pay the landlord where it is a one-off payment or housing benefit is already paid direct to the landlord.

We will make the payment into a bank account.

### **Changes of circumstances**

You must tell us of changes in your circumstances that might affect your claim for HB or UC.

A change in your circumstances will not affect the amount of your DHP if:

- you are still entitled to HB or UC with housing costs
- HB, plus the DHP is not more than your liability to pay rent
- the change of circumstances was not important to the award of the DHP.

We may specify changes in circumstances that you will need to let us know about as we think the amount or need for a DHP will change.

### **Appeals**

There are no formal rights of appeal regarding a DHP decision. The council will decide any appeals relating to DHPs.

You may request that the decision is reviewed once. This request must be made within a calendar month of the original decision letter. This review decision is final and there is no further right of appeal.

### **Overpayment**

When deciding whether or not to recover an overpayment of a DHP, we will consider the reasons for the overpayment. The council can choose to recover the payment in full, in part, or not at all.

We may decide to withdraw an award in some circumstances, for example, a change in circumstances means that the resident no longer qualifies for a DHP.

### **Funding**

Funding for the scheme is provided on an annual basis by the Government and is cash limited. The awarding of DHPs is subject to available funding.

### **Publicity for the scheme**

We promote the scheme in the following ways:

- Advice to residents on the scheme and how it can help them

- Information to other organisations that give advice such as Welfare Rights and the Job Centre
- Making landlords aware of the scheme
- Information on our website
- Through our housing advice and personal budgeting advice

### **Free independent help**

For free debt and money advice contact:

a. Citizens Advice Lancashire

Chorley office	South Ribble office
35-39 Market Street Chorley Lancashire PR7 2SW	Civic Centre West Paddock Leyland PR25 1DH

Telephone: 0344 245 1294

Website: [www.citizensadvicelancashirewest.org.uk](http://www.citizensadvicelancashirewest.org.uk)

b. StepChange

Telephone: 0800 138 1111

Website: [www.stepchange.org/contact-us.aspx](http://www.stepchange.org/contact-us.aspx)

c. National Debt Line

Telephone: 0808 808 4000

Website: [www.nationaldebtline.org/](http://www.nationaldebtline.org/)

d. Business Debt Line

Telephone: 0800 197 6026

Website: [www.businessdebtline.org/](http://www.businessdebtline.org/)