



Discretionary Housing Payments  
Policy and Procedure  
2016/17

## Background

The Government gives local authorities a pot of money to be used for Discretionary Housing Payments (DHPs).

This funding is to assist residents on benefits who need additional help towards their housing costs.

To support people through a number of reforms to welfare benefits in 2016/17 the Government has increased the funding available for DHPs.

The Council is aware that in the social housing sector nearly 250 households will be affected by the spare room subsidy introduced in April 2013 and around 30 families will see the money they have coming in reduced with the introduction of the benefit cap alter in the year. When Universal Credit is introduced claimants will start to be paid monthly and will have to manage their household budgets from a single payment, a new and challenging change for many residents.

In 2016/17 Surrey Heath Borough Council has been awarded £87,143 to help those residents who face difficulties with housing costs. This Policy sets out how the Council will use this money, who will qualify for assistance and how claimants can apply for help.

Each case will be decided on its own merits so residents who are facing financial difficulties are encouraged to seek advice from the Council, their landlord if they are a housing association tenant or the Citizens Advice Bureau. Useful contact details can be found at the end of this document.

## Aims

The funding for DHPs is both time and cash limited. Residents who need help cannot expect long term, unlimited assistance.

To ensure that the available money has the most benefit the Council will seek to use it to:

- Prevent homelessness due to financial problems;
- Support residents while they take action to improve their financial situation so their current home is affordable for them in the longer term; and,
- Support residents who need to move to more suitable and affordable accommodation while such a move is sought.

In order to achieve these aims the claimant will be expected to engage with the appropriate services in order to achieve a positive outcome. This could include, but is not limited to:

- Signing onto an underoccupation scheme;
- Undertaking employment and training programmes; and,
- Working with money advice to reduce debt and stabilise household incomes.

Claimants who are not prepared to actively work towards achieving a stable, affordable home will not be prioritised for assistance.

DHPs will not be awarded in isolation: the Council will look at what other actions are available to the claimant or services that can be provided by the Council or partner agencies.

Examples could include debt advice, negotiating rent reductions or repayments with landlords, or deposit bonds to secure accommodation.

Every effort will be made to assist as many claimants and as funds are limited this will mean that the amount of DHP awarded will be capped at £100.00 per week except in exceptional circumstances. It also means that there are times when the Council is unable to approve an award.

#### Who can be considered for a DHP?

In order to be considered for a DHP the claimant must be entitled to:

Housing Benefit (HB); **or**,  
Universal Credit (UC) that includes a housing element towards rental liability; **and**,  
Requires further financial assistance with housing costs.

The claimant will need to demonstrate that they are unable to meet their housing costs from their available income, and this will include completing a financial statement. If the Council considers that the claimant can afford to meet their housing costs, even if this means adjusting their budgets, an award will not be made.

Reasons for a shortfall in meeting housing costs could include:

Reductions in HB or UC where the benefit cap has been applied;  
Reductions in HB or UC due to the spare room subsidy changes;  
Reductions in HB or UC as a result of local housing allowance restrictions;  
Non-dependent deductions in HB or housing contributions in UC;  
Reductions due to income tapers.

#### What help is available?

##### *The Benefit Cap*

In 2013 a benefit cap will be introduced for most claimants, applied initially through a reduction in housing benefit to the cap level and then through UC.

DHPs will be used to support those claimants affected by the benefit cap who, as a result of a number of complex challenges, cannot move immediately into work or more affordable accommodation.

Those affected by the cap will have access to and receive support from Job Centre Plus. Any award of DHP will be dependent on the claimant accepting and engaging with that support.

##### *Spare room subsidy in the social rented sector*

From April 2013 working-age claimants in social housing may face a reduction in their eligible rent if they are under-occupying their current home. The rates of reduction to the eligible rent for those affected are:

14% where there is under-occupation by one spare room; and,  
25% where there is under-occupation by two or more spare rooms

Unless a claimant can increase their income in their current home to cover the reduction in benefit then the home will not be a long term option for them. As noted above a DHP is both time and cash limited so doing nothing is not an option.

#### *Under-occupiers and the spare room subsidy*

Claimants applying for a DHP to help with the shortfall will need to commit to work with relevant agencies to either (i) increase their income or (ii) secure a move to an affordable property.

Options for increasing income include finding work or increasing hours of employment, increasing income from non-dependents, restructuring the household finances including dealing with debt or taking in a lodger. In order to qualify for DHP a claimant whose aim is to remain in the current home will have to commit to an action plan that will provide the necessary income to make up the shortfall. It will be usual for DHP to cover the shortfall in rent for a period of 13 weeks to give the claimant time to increase their income.

In order to move to a smaller home claimants will need to apply to the Joint Housing Register, join and a mutual exchange scheme and, if they are an Accent Peerless tenants, sign up to the underoccupation scheme. Tenants of other housing associations can approach their landlord to see what options there are for downsizing. Claimants must commit to actively seek an exchange and to be realistic about downsizing options (for example there are very few bungalows so this will not be a realistic option). Claimants who refuse a reasonable offer of accommodation will have DHP stopped. It will be usual for DHP to be paid for 26 weeks to give the claimant time to find a move.

Claimants who are happy to move to a tenancy in the private sector may be assisted with a deposit bond and advance rent through the Council's Rent Choice Scheme and advice on securing private rented accommodation can be obtained from the Housing Needs Team.

#### *Foster carers and the spare room subsidy*

The Government made changes that now allow foster carers a spare room before taking a foster placement and also between foster placements of up to 52 weeks without being affected by the spare room subsidy. DHP will not usually be available to cover periods beyond 52 weeks.

#### *Adoptive parents and the spare room subsidy*

Prospective adoptive parents will need to evidence that they are eligible, have completed Surrey County Council's 4 day preparation course and are working towards approval. DHP will only be payable while actively engaged in the approval process and will cease should the claimant withdraw (where a claimant does not inform the Council they have withdrawn and it is later discovered any overpayment of DHP will be recovered).

Once approved for adoption DHP could be paid for up to 13 weeks to cover any shortfall in line with Surrey County Councils' target of placing a child with an adoptive family within 3 months.

#### *Significantly Adapted Homes and the spare room subsidy*

The cost of providing major adaptations can be considerable and therefore moving a household from a home that has been adapted to meet their needs because of underoccupation could shift the cost to another part of the public sector. This against a background of limited resources to deliver Disabled Facility Grants and other programmes to adapt homes.

DHP can therefore be awarded to help families remain in significantly adapted homes however the funding for DHPs is cash limited and availability only announced on a year by year basis so claimants and those supporting families with a disabled member should be aware that assistance is not open ended.

#### *Disabled children and the spare room subsidy*

The Government amended regulations to allow disabled children who need a room of their own because of their disability to be exempted from the spare room subsidy.

A severely disabled child who needs a room of their own won't be required to share a room. The Council will make a decision on if an extra room is needed taking into account the severity of a child's disability (including medical evidence and if an award of disability living allowance has been made) and how regularly another child's sleep would be disturbed if they shared a room.

The assessment of this need is one for the local authority to undertake. In order to do this the following information will be required:

Evidence of benefits received in respect of the child's disability; and,  
Detailed medical evidence from medical and social care professionals involved with the child.

Following receipt of this information an appointment will be made with the Council's Medical Advisor who will discuss the household circumstances with the claimant, review the medical evidence and make a recommendation.

If a separate room is recommended the full rent will be eligible for housing benefit.

If a separate bedroom is not recommended then DHP can be awarded in line with this policy for under-occupiers i.e. the claimant will need to commit to increasing their income or seeking a move to more affordable accommodation.

DHP will be paid during the course of the assessment.

#### *LHA rates*

Following changes to Local Housing Allowance rates in April 2011 a period of transitional protection was introduced to give existing claimants time to look for alternative accommodation or adjust to their revised award. Some claimants may need some additional assistance beyond the period of transitional protection.

Also the introduction of the single room rate for claimant between 25 -35 years old could also mean some single claimants will need assistance to adjust to the change or support to move to affordable accommodation.

DHP could be used to cover a shortfall where:

- The claimant is 35 in the next 12 months and the rent is within LHA levels;
- The claimant is a care leaver who needs to remain in the area because of support networks;
- The claimant was working and able to afford the rent when the tenancy was taken on;
- There are exceptional circumstances.

#### *Other reasons*

As recognised above each application will be assessed on its own merits and below are some examples of the when awards could be made:

Family stability – e.g. where a child will reach an age within the next 12 months that will mean the spare room subsidy no longer applies or a child is at a critical point in their education that will otherwise be disrupted;

Homelessness prevention – e.g. a family is provided with a home which will soon be of a suitable size as an alternative to becoming homeless, or in discharge of the Council's full homelessness duty;

Financial hardship – e.g. where other changes or pressures (e.g. changes to Council Tax liability) impact on the ability of the claimant to meet housing costs;

Domestic abuse – e.g. where a claimant fleeing violence has a liability on more than one property;

Health – e.g. where an absence from work due to ill health causes financial hardship, or where it would not be reasonable for a terminally ill claimant to move;

Encouraging employment - supporting claimants moving from worklessness to employment e.g. during training periods or while moving from benefits to wages, or keeping people in the area of their employment where travel is an issue;

'Troubled families' – claimants working with the Surrey Supporting Families Programme to bring about change to their families in terms of education, employment and community integration.

#### What help is not available?

Although the Council has wide discretion in determining what will be covered by a DHP some elements are not allowed to be considered. The excluded elements are:

- Ineligible service charges (e.g. for meals and services);
- Increases in rent due to outstanding arrears; and,
- Shortfalls due to certain sanctions and reductions in benefit (e.g. reductions for non-attendance at a work focused interview, leaving employment or failure to comply with the CSA).

DHPs are permitted to be used to cover rent deposits and rent in advance to help claimants secure a more suitable home. The Council, however, operates a scheme called Rent Choice

which already provides this assistance and applications for this type of help will first be considered through this scheme rather than with DHP assistance.

For families with a disabled member help to move to a more suitable home could be facilitated with the assistance of a Relocation Grant.

### Financial Assessment

It is for the Council to decide how to assess income and expenditure.

Where it is considered that the claimant's budget has a high number of non-essential outgoings the Council will ask them to reconsider how the household finances are managed before making an assessment as DHP is available to meet essential costs rather than maintain a lifestyle. *The Citizens Advice Bureau can help claimants with budgeting.*

Where expenditure on debt is high and inhibiting the ability to meet essential payments a referral will be made to Money Advice. DHP could be paid while the claimant works with the Money Advisor to stabilise their finances.

It will not be usual to take into consideration income that is for a specific purpose (e.g. disability related benefits that are intended to meet specific needs) however maintenance payments will be considered as a part of the claimant's income for the purpose of assessment.

### How to apply

Stage 1: Complete a claim form

The form will include a financial statement which should be completed in full.

The claim form will also ask the claimant to supply certain documents such as bank statements, proof of earnings, debt and outgoings. If the required evidence is not supplied the claim will not be assessed.

Stage 2: Assessment

The claim will be assessed in accordance with this Policy and a decision issued within 4 weeks of receipt of the application.

The assessment will not just look at whether a DHP will help in the short term but also what other help or options are available to resolve the issue.

If the application is refused written details of why that decision has been made will be sent to the claimant along with details on how to request a review of the decision (see below).

Stage 3: Offer

The claimant will receive an offer letter detailing the help the Council can give and what they need to commit to in order to receive that help. If the claimant is happy with the offer they will complete the agreement form and return it.

Stage 4: Payment and engagement

Payment will be put in place and referrals made to relevant services on receipt of the signed agreement.

Payments will be backdated to the date of application, and in some cases could be backdated further where it is demonstrated that an award would have been made earlier had an application been received although it will not be possible to backdate to a date before the HB/UC claim was made and it will not be usual to backdate further than 13 weeks.

Stage 5: Monitoring

The claimant is required to notify the Council of any changes in their circumstances and the Council will also ensure that they are using the support they agreed to engage with.

Reviews

If a claimant has refused an award of DHP or is unhappy with the amount or period for which the award is made they can request a review of the decision.

The review will be carried out by an officer senior to the original decision maker.

To request a review the claimant should put their reasons for disagreeing with the original decision in writing along with any supporting evidence.

As DHPs are discretionary arrangements there are no appeal rights to a Social Security Tribunal. If, however, you feel there has been maladministration or you have been treated unfairly you can use the Council's Complaints Procedure.

Further awards

It will not be usual to award a DHP for the same circumstances where a claimant has not actively engaged with the agreed action plan. The Council is aware however that there could be cases where claimants have worked to resolve the situation but due to circumstances beyond their control (e.g. lack of suitable housing to move to or lack of employment opportunities) or because of a change in circumstances this has not been achievable.

In such cases, and dependent on available resources, a further DHP award and action plan could be agreed.