

## **h&f's DHP Policy**

July 2013

### **Background**

Discretionary Housing Payments (DHPs) were introduced in July 2001 and are used by local authorities to provide financial assistance to claimants in receipt of housing benefit, when the local authority (LA) considers that additional help with housing costs is required.

Housing costs are generally defined as rental or council tax liability, but can also include other costs such as a rent deposit. DHPs may be awarded as a one-off payment or periodically for a period the LA considers appropriate.

From October 2013, DHPs will be extended to people receiving Universal Credit (UC) providing they have a rental liability and are eligible for support towards housing costs.

DHPs cannot cover either personal service charges or a shortfall caused by HB overpayment recovery. From 1<sup>st</sup> April 2013, they no longer covered shortfalls in council tax benefit as this ceased to exist.

The Discretionary Financial Assistance Regulations 2001 provide the legal framework for DHPs. Although DWP provides guidance to local authorities on how DHPs can be used, local authorities have a large degree of discretion over the scheme and there are few regulatory restrictions.

As a result of announcements during the passage of the Welfare Reform Act 2012, the central government contribution towards DHPs has been increased to help local authorities provide support to people affected by some of the key welfare reforms, namely the :

- introduction of the benefit cap;
- introduction of the social sector size criteria;
- local housing allowance reforms.

Because the full impacts of the Welfare Reform Act are not clear, the policy will be under constant review and may be subject to change. The most up to date live version will always be published on our website.

## **Introduction**

The regulations covering DHPs are The Discretionary Financial Assistance Regulations 2001.

The legislation gives the local authority a very broad discretion, but decisions must be made in accordance with ordinary principles about good decision making, i.e. administrative law. In particular, local authorities have a duty to act fairly, reasonably and consistently.

Housing costs are not defined in the regulations and this gives local authorities a broad discretion to interpret the term as they wish.

In the narrowest of senses if a resident is getting Housing Benefit (HB) housing costs mean rent (subject to certain exclusions).

But housing costs can be interpreted more widely to include:

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

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

## **The application process**

There has to be an application for a DHP but it does not need to be in writing nor does it have to come from the applicant. We will accept notifications from the Housing and Regeneration Department (HRD) on behalf of the applicant where they feel that a DHP is appropriate.

The HRD, along with any other department in the council are able to take a DHP form from an applicant.

All unsupported applications should be on a h&f form. These can be found on the council's website:

[http://www.lbhf.gov.uk/Images/web\\_Discretionary%20Amended\\_ck\\_Housing%20Payment%20Form%20updated%2001may04\\_PaulR%20v3\\_tcm21-154723.pdf](http://www.lbhf.gov.uk/Images/web_Discretionary%20Amended_ck_Housing%20Payment%20Form%20updated%2001may04_PaulR%20v3_tcm21-154723.pdf)

## **Deciding on a DHP**

DHPs are a discretionary scheme. The council will consider each case on its own merits rather than on a set of rigid pre-defined criteria.

It is not possible to define exactly who will and will not be awarded a DHP. There has to be room for unusual cases meaning there maybe cases that do not fall within this policy but should still be awarded a DHP.

## **Objectives of making a DHP award**

The policy should reflect the priorities of the council where relevant to the benefit claim. The decision maker should have regard for the borough priorities when deciding on a DHP request.

Overall, the council want to make the borough a borough of opportunity.

We look to use the DHPs, where appropriate to keep people in work or to support those who are soon to be starting work.

## **Delivering high quality, value for money public services**

This will mean we will have to work closely with our key stakeholders to ensure that quick and correct decisions are made.

Our decisions will have regard for the consequences of not making the award and the possible cost to the council if the tenants then declare as homeless.

## **Tackling crime and anti-social behavior**

We will take into account the importance of a stable home in helping vulnerable residents address their difficulties.

## **A top quality education for all**

We will take into account the age of children and give extra consideration to children in key stage 1 (nursery to year 2) and those doing exams. We do acknowledge that older children are more able to travel further but we should avoid forcing them to do so close to when they are taking important exams.

We will also look favourably at child protection cases, foster carers and those children with special needs. When we look at children with special needs we may look at whether the provision of the special needs service can be provided elsewhere.

## **Promoting home ownership**

We look to support those in shared ownership schemes where appropriate.

## **Regenerating the most deprived parts of the borough**

DHP decisions will have regard to the White City and Earls Court regeneration areas – supporting the Council's aim to bring substantial neighbourhood improvements to these areas.

## **Setting the framework for a healthy borough**

Helping vulnerable people live more independent lives

How this will be achieved:

- working closely with Housing Options, Skills and Economic Development Division who can recommend where they feel that a DHP is appropriate
- provide DHP for deposits
- we will support those with properties that have been adapted for disabled usage and applicants with a disability who can demonstrate reasons for not being able to move to affordable accommodation.

### **Rent deposits and rent in advance**

We can consider awarding DHPs for a rent deposit or rent in advance schemes for a property that the customer is yet to move into if they are already entitled to HB for their present home.

For DHP awards for rent in advance or a deposit **the weekly limit does not apply** as the award is for a lump sum to meet an immediate housing need.

We will normally only consider payments in advance or deposits when supported by a council representative or when the claimant wants to move to more suitable accommodation.

The payment will always be made to the landlord when awards such as this are made.

NB:

- as a lump sum payment for rent in advance is not made in respect of a period, we do not have to be satisfied that the customer is entitled to HB other than at the point we make the award
- we can still consider an award if the rent in advance is for a property outside of London Borough of Hammersmith and Fulham if the applicant is currently in receipt of HB in the borough.

Once a DHP has been made to a resident for rent in advance or a deposit and used for that purpose legislation does not provide for it to be refunded.

### **Estimated Spending**

Estimates on how much we should be spending on each element of Welfare Reform:

<b>Reason</b>	<b>National Amount (£million)</b>	<b>% of total national allocation</b>	<b>Amount for LBHF</b>
<b>Original baseline before LHA reforms</b>	20	12.9%	<b>£192,059</b>
<b>LHA reforms</b>	40	25.8%	<b>£384,118</b>
<b>Social sector size criteria</b>	30	19.4%	<b>£288,833</b>
<b>Benefit Cap</b>	65	41.9%	<b>£623,820</b>
<b>Total</b>	155	100%	<b>£1,488,830</b>

### **Level of DHP**

As a guide, we will not look to award a Discretionary Housing Payment where the shortfall is less than £20 per week. In these instances we will expect the tenant to come to some arrangement with their landlord.

In cases involving shortfalls due to the under occupancy charge, where appropriate smaller DHPs will be considered. If the shortfall is greater than £150 per week then normally, the gap is too large for a DHP to provide a long term solution. In some cases we may make a short term award to stop the applicant going into unnecessary arrears.

Most DHPs will therefore cover shortfalls between £20 and £150 per week.

### **Length of award**

We will not award a DHP for more than a year. Where entitlement may continue, we will require a new application. This will enable us to review circumstances annually for on-going DHP recipients.

The decision on how long to award a DHP for depends on the circumstances of each application. Where the reasons for requesting a DHP are not likely to change (for example, the need for children who should be sharing, having their own room due to disability issues), the award may last the year.

As a general rule, the larger the DHP amount, the shorter the period of the award.