

## Discretionary Housing Payment – Guidance for Residents 2019/20

### Overview

Colchester Borough Council (CBC) operates a Discretionary Housing Payment (DHP) scheme. DHP's can provide extra financial help with housing costs. In general, this means help to pay your rent. However, DHP's can also be used to help with other lump sum costs relating to housing needs. A DHP is paid from a cash limited fund given by Central Government each financial year. DHP's are awarded at CBC's discretion.

### Objectives of DHP

It is the intention of CBC that DHP's are made in a fair, reasonable and consistent way.

DHP's can be awarded with the aims of:

- alleviating poverty
- preventing homelessness and supporting people in their tenancies
- supporting vulnerable or elderly people in the local community
- helping residents through difficult events
- safeguarding residents in their home
- encouraging and sustaining people in employment
- helping those who are trying to help themselves
- keeping families together
- supporting domestic violence victims who are trying to move to a place of safety
- supporting young people in the transition to adult life
- promoting good educational outcomes for children and young people
- supporting those most affected by the impact of welfare reform

The above list is not exhaustive. If an applicant is facing situations described above it does not mean an award will be made but it does mean CBC will have discretion when considering the claim.

### Basic Rules

To receive a DHP an applicant must be entitled to:

- Housing Benefit (HB); *or*
- Universal Credit (UC) Housing Element (excluding owner occupiers); *and*
- be responsible for the rent; *and* need further financial assistance with housing costs

A DHP may help cover costs where there is, for example, a:

- reduction in HB or UC where the Benefit Cap has been applied
- reduction in HB or UC due to the removal of the spare room subsidy
- reduction in HB or UC as a result of Local Housing Allowance (LHA) restrictions, or the application of shared room rate
- rent shortfall and a DHP could prevent a household becoming homeless whilst the housing team explores alternative options. However, if a DHP is awarded in these circumstances the DHP award will end if the resident does not continue to engage with our Housing Team
- rent officer restriction
- non-dependant deduction
- income taper (this is where HB is reduced because of earnings)
- amount for rent in advance is needed
- deposit is needed
- lump sum cost associated to a housing need such as moving costs
- any other policy change that limits the amount of HB payable for example the removal of the family premium

The above are examples and not exhaustive.

**What a DHP cannot cover**

- Service charges that cannot be covered by HB or UC Housing Element
- Increases in rent due to outstanding rent arrears
- Sanctions and reductions in Benefit
- Benefit Suspensions
- Rent, when the applicant is getting Local Council Tax Support but not HB or help with housing costs in UC
- Shortfalls caused by HB or UC overpayment recovery
- Council Tax liability or charges

**DHP Claims**

A claim can be made online at: [www.colchester.gov.uk/dhp](http://www.colchester.gov.uk/dhp) or by telephone, letter, or email. The claim can be made by an advocate acting on behalf of the applicant. We will act consistently in the way we process claims and will treat each method of application equally.

We may need to discuss the application in more detail to get more information or ask for evidence to be provided. If required information is not supplied within one calendar month of the request the application will not progress. Often we will require bank statements, rent statements and if relevant UC award notification.

**Considerations in Deciding an Award**

Claims are decided by taking into account both the financial and personal circumstances of the applicant and the household members. When considering a claim it is important to identify the cause of the hardship and assess suitable remedies and whether it is possible to meet the housing costs from the household income or capital.

We will disregard the following income:

- Disability Living Allowance
- Personal Independence Payment
- Severe Disability Allowance
- Attendance Allowance
- Carers Allowance

CBC may identify reasonable actions the applicant could take to remove the need to seek assistance from the fund. For example, these could include reducing any unnecessary expenditure, considering employment support, engaging with debt advice from a specialist agency, accessing existing capital or moving to a more affordable property.

An applicant's willingness to take reasonable actions identified will be taken into account when considering the application.

The consequences of an award not being made will be taken into consideration when making the decision.

It may be required for an applicant to attend an appointment with our Customer Support Team to fully explore the issues and potential solutions.

**Consecutive and Repeat Awards**

The basis of many, but not all, DHP awards is to provide a period of support while the applicant takes steps to independently maintain their housing cost payments. We do have discretion to make enduring or longer term awards dependant on the individual circumstances.

CBC has discretion to apply conditions to DHP awards. These conditions will indicate required actions to encourage longer term change. The aim of these conditions will be to seek early resolution or improvements of the household's financial position. Failure to adhere to these conditions may affect the outcome of any future DHP applications.

### **Priority Groups**

CBC intends to prioritise support, where needed, for:

#### Severely disabled residents living in significantly adapted accommodation

- A DHP may be awarded where there is a shortfall in rent due to removal of the spare room subsidy and where it is not appropriate for the resident to move due to their disability.

#### Disabled children

- In exceptional cases where a disabled child is not able to share a bedroom nor is granted an additional room need in current HB regulations a DHP may be awarded. Each case will be assessed on its own merits.

#### Approved or prospective adoptive parents

- Residents who have been approved as adopters are required to have a bedroom for an adopted child. Until the child forms part of the household, removal of the spare room subsidy may apply and DHP's will be used to provide support in the interim period, when needed.
- Similarly, people going through the approval process to become adoptive parents will need to show that they have a spare room for a child. If a DHP is paid on this basis it will be the responsibility of the resident to inform CBC of any change of circumstances if, for example, they were not subsequently approved.

#### Approved or prospective foster carers

- Foster Carers are allowed one extra bedroom under the size criteria rules providing they have fostered a child or became an approved foster carer within the last 52 weeks. Some residents may be caring for siblings, or for two or more unrelated foster children, and require additional bedrooms. However, the size criteria rules only allow foster carers to have one extra bedroom; therefore a DHP may be awarded to help cover any reduction in HB due the additional rooms that are required.
- Resident's going through the approval process to become foster carers will need to show that they have a spare room to be approved. If a DHP is paid on this basis it would be up to the resident to inform CBC of any change of circumstances if, for example, they were not subsequently approved.

#### People affected by Welfare Reforms

- DHP's may be awarded to support residents affected by Welfare Reforms to assist them in adjusting to the relevant change.

#### Significant Ages

- People within 12 months of a significant change trigger which would affect the removal of the spare room subsidy or base HB entitlement, for example birth of a child, household with children nearing the age of 10<sup>th</sup> or 16<sup>th</sup> birthdays, people nearing their 35<sup>th</sup> birthday or state pension credit age.

### **Level and Period of Award**

Each application will be assessed on its own merits. However the following principles apply:

- if an application is successful the award period will be specific to the applicants circumstances
- normally an award will commence the Monday following the date of application but requests for backdating can be considered
- changes in circumstances or legislation could affect the award during the award period
- DHP awards can be made for an enduring period

### **Decisions**

All applicants will be notified of the decision and reasons in writing. If an award has been made this will include start and end dates and information about how it will be paid.

Applicants will be given information about how to ask for a review of the decision.

### **How a DHP will be paid**

A DHP will be paid with the HB award or in the case of a UC applicant, to a nominated account. DHP's may be paid to someone other than the applicant if we consider it reasonable to do so. In the case of a person entitled to a rent rebate, DHP's will be credited to the rent rebate account.

### **Change of circumstances**

An applicant must notify CBC of any change of circumstances which may affect the DHP award.

### **When we will stop paying a DHP**

We can stop paying a DHP where:

- we decide that a DHP is being made, or has been made because someone has misrepresented or failed to disclose a material fact, fraudulently or otherwise
- a payment has been made as a result of an error
- following a recalculation of HB or UC entitlement
- following a change in legislation or regulation

### **Overpaid DHP's**

A DHP can be recovered if a payment has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise. It can also be recovered as a result of an error. Changes of circumstances that result in an overpayment of DHP will be recovered by CBC. It is important applicants notify CBC of any changes as soon as possible to try and avoid overpayments.

### **Right of Review**

Our DHP decision letters explain the applicants right to have the decision looked at again. This is called a review. A request for a review must be made in writing within one calendar month from the date of the decision letter. Once a review request is received a different decision maker will reconsider the previous determination and either uphold the original decision or alter it at their discretion. Another decision letter will be sent giving full reasons of the review decision. Decisions on DHP's do not carry a right of appeal to a Social Security Tribunal.

CBC will keep a record of the number of requests for revision as part of its monitoring purposes.

This document is effective from 1 April 2019. This document is to be reviewed annually.