



MERTHYR TYDFIL
County Borough Council
Cyngor Bwrdeistref Sirol
MERTHYR TUDFUL

Merthyr Tydfil County Borough Council

Discretionary Housing Payment policy

2015 and ongoing

*Sarah Price
Welfare Reform Project Manager
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Revised Discretionary Housing Payment policy 2015 (ongoing)

INTRODUCTION AND BACKGROUND

The use of Discretionary Housing Payments have increased substantially over the past few years as Central Government have implemented a number of Welfare Reforms which has reduced the amount of Housing Benefit which customers receive. In 2011/12 the Council's DHP allocation was approximately £13,000 and has increased to £138.154 for the current financial year.

DHP's are paid from a cash limited budget and are intended to help people meet housing costs normally where there is a shortfall between their Housing Benefit, or Housing element of Universal Credit and their rental liability. It is not possible to make an award in every case where there is a shortfall.

The policy is a way of helping to decide priorities for payment. In the past number of years, the Council has fully spent its DHP allocation for the year by then end of the financial year with no requirement for additional funding from the Local Authority.

The objectives of the revised policy are to give applicants a fair and consistent decision, to maximise the use of the DHP budget, to give greater priority to help those who are making efforts to help themselves and to support those who have done all they can to manage the situation they are in.

The revised policy will help to prevent negative outcomes such as homelessness which is likely to involve further hardship for the council as well as additional and avoidable costs for the council.

In order to meet the objectives of the framework it would be insufficient to make awards to certain broad categories of people (e.g. disabled people and lone parents). It is necessary to define which people in these and other categories should as a rule have the most priority.

The key factors in deciding priorities are:

- Financial circumstances of the household
- Priority group that the household is in
- Extent to which members of the household are able, and willing, to manage the situation they are in, or can't reasonably be expected to do more
- The wider financial consequences of not making an award.

The factors are explained in more detail:

Financial Assessment (stage 1)

For any application which is received, a financial assessment is made, comparing income with expenditure. This is as simple as possible but sufficient enough to make reasonable judgement. All income and outgoings are considered and any capital taken into account. If there are non-dependants in the household, the income they contribute to the household is normally included in the financial assessment, though it is accepted that household expenditure on food and heating will be higher. The fundamental principle of the framework is that help should go to those who have no other means of meeting the need.

The first test is therefore whether or not a household's total commitments are equal to or exceed their income. If there is income available, or could be made available sufficient to meet the shortfall in rent or other housing need, an application for DHP may not succeed unless or until circumstances change. If there is some income available but insufficient to meet the rent shortfall, an application for DHP is processed, but the available income would be deducted from the award.

In the case of lump sum payments (e.g. rent in advance or removal costs), the financial test is slightly different. The test is in two parts, firstly are there any savings that can meet the need? If not is income at or below expenditure with no prospect of saving the amount needed. The need for the move is also considered, are the household downsizing and will then have the finance to fund their household expenses or do they need settled accommodation if they are currently in a homeless hostel for example.

Priority Groups (stage 2)

Having considered the financial test the next stage is to decide the priority to be given to particular circumstances the household may be experiencing. To make this process as simple as possible, the particular circumstances are put into five groups A-C descending order of priority.

Ability to manage the situation (stage 3)

The framework is intended to ensure that DHP provides support on a temporary basis to meet their housing costs whilst a household seeks a more long-term solution to the situation they are in. Where this is possible, higher priority is given to those who are actively taking steps themselves, for example those with LHA shortfall looking for cheaper accommodation or those with spare rooms who are arranging to move.

Increasingly there are also some situations where a DHP may be needed for a longer period. There will be some households who cannot realistically alleviate the situation they are in by taking action themselves, for example a

household with a severely disabled member unable to work and who are already managing the household budget as effectively as possible. Such households are also given higher priority.

There are also households who are not currently helping themselves in the way described above, but who are prepared to start doing so. In these cases, DHP award may be made and conditional on certain action being taken. The award may be of shorter duration.

Avoid further cost and hardship (stage 4)

DHP can be used imaginatively to help prevent further hardship such as eviction and the associated costs to the Council in dealing with homelessness. The risk of losing a tenancy could arise for a number of reasons but no judgement is made about the factors giving rise to the problem. However it is unlikely to be viable to pay DHP indefinitely in these circumstances. If a household is threatened with eviction the situation cannot be left to continue indefinitely, a solution would need to be found, whether this is the provision of alternative accommodation or some action by the household to reduce arrears. The highest priority under these criteria is applied when a solution is in sight.

Priority Setting (stage 5)

In order to decide priorities additional weighting will be given to combine the priority groups with the considerations outlined above.

Additional weighting will depend upon the extent to which the general policy conditions (stages 3 & 4) are met. The highest weighting would be given to those who are a) actively trying to manage the situation they are in, or b) can't reasonably do any more to help themselves or c) where paying a DHP avoids further cost to the council and hardship to the applicant, particularly where a solution is possible. If none of these considerations are met, no additional weighting would be given.

The priority groups and additional weighting given is used as a guideline and is helpful in dealing with the majority of applications but there may be exceptions for individual cases that fall outside the guidelines but which still justify an award.

The award and length of DHP will be determined by which group the applicant falls into. The weighting will be reviewed periodically, or when other Welfare Reform changes are announced, as it is important to balance the use of the DHP fund, but also ensure that where possible the DHP allocation is spent by the end of the financial year.

Payment of Award

It is possible that many of the high priority awards are paid unconditionally, either because there is not likely to be any short term change in the circumstances giving rise to the award, or the household is already doing everything possible to manage the situation they are in. When the award is reviewed or comes to an end, the circumstances may be looked at and conditions applied to any further award.

Other awards will be subject to at least some conditionality, designed to encourage the applicant to resolve the shortfall in rent without access to DHP. The degree of conditionality may vary dependant on circumstances.

Length of Award

As the Council's DHP grant is made within a financial year the maximum end date of an award would be 31st March. Where a long term need is identified, e.g. disabled adaption, the award may be made for a longer period as appropriate. In other cases where it is identified that a change will occur in the future, which will alleviate the need for DHP award, the award would be made for a specific period. There is no standard period for award; it is normally based upon the individual circumstances and the priority group which they are in.

Repeat Awards/Extensions

Conditionality is the main factor in deciding whether a repeat award would be made. There is no restriction on repeat awards where no conditionality has been set. In these instances the applicant is asked about any changes that have occurred rather than be expected to complete a new application form.

Where there are conditions attached to the award, it is normally terminated after the initial award period. If the applicant then applies for a further award, information would be asked to confirm that the applicant is meeting the conditions of the initial award. A further award may then be made.

An award may be extended for a short period, without the need for a new application, in certain circumstances, these may include:

- Where a request has been made by a support worker for a valid reason
- When awaiting a change of event, e.g. house move or birth of child
- When further time may be required to meet the conditions attached to an award.

Partial Award

The award of DHP is usually for a weekly amount which will meet in full the shortfall between the rent and housing benefit or housing costs payable. However there may be occasions where it is more appropriate to make a partial award, for example:

- Some income is available to the household (but not enough to pay the rent shortfall), including situations where more income becomes available because debts have been paid off
- The award is intended to help the household adjust gradually to a new situation, e.g. Benefit Cap, or starting work
- Unreasonably high rent in the private sector.

PRIORITY GROUPS

ONGOING PAYMENTS

GROUP A:

Households where alternative arrangements are not a realistic option.

This includes those who are subject to circumstances where making alternative housing arrangements is difficult, or where there are severe obstacles preventing them from improving their financial position.

- Households subject to the under occupancy rules where the property has been adapted to suit the disabled persons needs.
- People who are victims of domestic abuse, or who have moved because of the threat elsewhere.
- Households subject to benefit cap reductions and who have a number of children which will make moving to suitably sized accommodation difficult.
- Households where children have had to be removed by social services and where there is evidence that the children may return to live at the property
- Households where there is a serious medical reason for an additional room, that cannot be covered under extra room rules e.g.: where partners cannot share a room due to a medical condition.
- Applicants who are engaged in caring full time and as a result face additional difficulties in getting back to work.
- Applicants who would break a court order by moving to a smaller property or a different area such as an ex-offender with probation conditions

- Where the claimant/partner is pregnant, including those in shared accommodation.
- Applicants awaiting a court judgement regarding custody of children
- Applicants with joint custody arrangements of children but who are not receiving Child Benefit payments for those children.

GROUP B

Households being supported themselves or where changing household arrangements would disrupt that support.

- Households where there is active social services intervention e.g.: vulnerable adults or children at risk
- Former homeless people being supported to settle in the community.
- Households subject to under occupation where the age of the children is such that they will soon be allowed an increased number of bedrooms.
- Households where there is evidence to support that children cannot share a bedroom, where PIP has been applied for or refused and awaiting the outcome of an appeal.
- Single households who have been placed in accommodation suitable to their needs, by social services, homeless placement etc where moving to smaller accommodation would present a risk of relapse or disruption to any rehabilitation.

GROUP C

Households where there are exceptional short-term personal or social barriers to moving

This Group represents those who have short-term barriers that prevent them from changing their housing arrangements. These could be either personal or social obstacles or both. The challenges may be addressed but only through additional external support. This could be support that is offered by the council or its partners or third sector providers such as charities and voluntary sector.

- Older applicants who have lived in the area for a long time and would find it difficult to establish support links in a new area
- Applicants for who would significantly increase their travelling costs if they moved.
- Where the applicant has a baby (less than a year old) and has both family and a support network to help with the care of the baby e.g.: health visitor, local doctor surgery etc.

ONE-OFF PAYMENTS

GROUP A:

Households where alternative arrangements are facilitated by a DHP Award.

- To cover the cost of rent deposits/rent in advance for a tenancy, or removal costs which would mean that the under-occupancy rules, benefit cap or LHA restriction would no longer apply.

GROUP B

Any other reasonable circumstances.

Purpose

The purpose of this policy is to specify how Merthyr Tydfil County Borough Council will operate the scheme from 2015 and to indicate some of the factors that will be considered when deciding a dhp award.

Merthyr Tydfil County Borough Council is committed to working with the local voluntary sector, social landlords, private rented sector landlords and other interested parties and this is reflected in the administration of the scheme.

Applications

Applications for DHP are normally made in writing by completion of a DHP application form. Applicants will need to provide full details of their income, expenditure and savings. This may feel intrusive to some people but this information is necessary to assess the application. In most cases an interview will be arranged at either the Civic Centre or if required, at home. This is more to establish the household issues and to refer the customer on to a more appropriate support organisation than it is about gaining details of their finances.

There is no set timescale for making a decision on an application for DHP, however the council would expect to make a decision within 14 days of receiving the complete information to enable it to make a decision. So in the situation where a customer has completed an income and expenditure form, but not provided any further details regarding their circumstances, a letter would be issued for further information, once this is received a decision could be reached. If this request for further information was not provided, the application for DHP could be refused.

Period of award

The Benefit Section will decide the length and amount of the award based on the known facts and evidence supplied. The award will be reviewed on a regular basis or the customer asked to complete a new application as appropriate.

The start date of a DHP award will usually be:

The Monday following receipt of the DHP claim.

The Monday following the relevant change in circumstance giving rise to the need for the DHP

Any other date as deemed relevant.

Review and dispute process

A review process exists whereby if the applicant disagrees with the decision they can ask for a review. The request for a review needs to be received in writing and submitted to the Benefits Section. A review of a decision would be made by a different member of the Support Team from the Team member who made the original decision. This should be completed within 28 days of a request being made.

Change of Circumstances

Applicants are expected to report changes of circumstances as they normally would for Housing Benefit. It is vitally important that applicants notify of changes in income or composition of household. Most notifications of a change relate to Housing Benefit in the main but where a DHP is payable, they usually trigger the cancellation of DHP award. This can be followed by a new application if relevant. Overpayments of DHP are generally calculated and where appropriate an attempt to recover them may be made.

Staffing

There are no staff costs included in the DHP allocation that is given to Benefits Sections.

Administration of DHP is delivered by the Benefits Section which is funded as part of the benefit subsidy arrangements. DHP's will continue to be administered by the Council even after Universal Credit has replaced Housing Benefit.

Fraud

Where a customer tries to fraudulently claim a DHP the matter will be investigated and may lead to criminal proceedings being instigated.

Risks

As indicated above the framework will improve management of the fund and ensure that consistent decisions are made on all applications by targeting support on the vulnerable groups. In a report released by Wales Audit Office, Managing the impact of Welfare Reform Changes in Social Housing tenants in Wales, highlighted the need to improve management of DHP, therefore adoption of the framework will assist in this area.

Publicity

Once the framework is approved the Benefits Section will provide updated literature which will be available online regarding the framework and decision process as well as awareness raising to internal and external stakeholders.

Consultation

As part of the development of the framework, consultation was held between a number of local authorities, Welsh Government and Welsh Local Government Association, along with seeking advice from the facilitators of the framework, the Welfare Reform Club. As the framework is being adopted amongst the majority of Councils within Wales, individual consultation has not been carried out at a local authority basis. DHP's have been available for several years and the main reason for adoption of the framework is to ensure greater transparency across Wales whilst still allowing some local flexibility to meet needs.

FINANCIAL IMPLICATION(S)

The budget provided for DHP's is set annually by the Department of Work and Pensions. It is proposed therefore, as in previous years, to maintain the Council's spend on DHP to the grant provided by DWP.

SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY

The Welfare Reform Project Manager and the Benefits Section have worked in conjunction with WLGA, other local authorities and Welsh Government to develop a framework which will be operated in Wales. Adoption of the framework will provide greater transparency across Wales and ensure that awards are fair and consistent and will prioritise those in greatest need. The

processing of these Discretionary Housing payments falls within the corporate theme of Organisation and ensuring that applicants are treated in a fair and consistent manner. The actual payments will benefit the strategic themes of the Single Integrated Plan and consequently the implementation of this framework links across all of the areas in the Council Plan.

This policy will be reviewed and revised to take into account any changes in legislation and effectiveness.

MTCBC reserve the right to adjust the way the policy operates from time to time, in all aspects, in the light of experience, prevailing economic climate and national benefit changes.