

FAREHAM

BOROUGH COUNCIL

DISCRETIONARY HOUSING PAYMENT POLICY

2022/23

Introduction

This document sets out Fareham Borough Council's Discretionary Housing Payments Policy for 2022/23. In response to the Government's continuing welfare reform program, we intend to offer support for those mainly affected by changes made to Local Housing Allowance rates, reductions in Housing Benefit entitlement due to the size criteria in the social rented sector, the revised income limits of the Benefit Cap, shortfalls as a consequence of a Universal Credit housing element award, the continuing affects of the Covid 19 pandemic along with the steady rise in inflation and cost of living.

To help Local Authority's manage the impact of the Housing Benefit reforms, the overall Discretionary Housing Payment funding nationally will be £100 million for 2022/2023. The funding has been allocated on the basis of each Local Authority's share of total anticipated losses experienced by Housing Benefit claimants as a result of the reforms. An amount of £2 million from the above funding will be reserved and held back and distributed to Authorities later in the year.

The funding for 2022/2023 for Fareham Borough Council initially is £84,799.

The amount of funding for Discretionary Housing Payments will not fully compensate for the loss of benefit income to tenants in Fareham. It is the Government's intention that tenants take positive action to improve their financial situation through finding work, increasing the hours they work and/or move to more suitable accommodation. Therefore Discretionary Housing Payments must be seen as short term financial assistance to 'bridge the gap' whilst the claimant improves their personal situation.

Background

The Child Support, Pensions and Social Security Act 2000 introduced a scheme of Discretionary Housing Payments with effect from 2 July 2001. The Discretionary Financial Assistance Regulations 2001(SI2001/1167) enable Local Authorities to authorise Discretionary Housing Payments to those who may "*require some further financial assistance.....in order to meet housing costs*".

Amendments were made to the regulations from April 2013 to include Universal Credit.

These powers are also supported and guided by the Department for Work and Pensions [Discretionary Housing Payment Guidance Manual](#).

Discretionary Housing Payments can only be awarded to customers who are in receipt of Housing Benefit or Universal Credit (which includes a housing element for rental costs).

Purpose

The purpose of this policy is to set out how Fareham Borough Council's Benefits Service will administer Discretionary Housing Payments. Following the introduction of the Government's welfare reforms, Discretionary Housing Payment funding enables us to continue to provide temporary assistance to customers affected by those reforms and to also make long term awards for those with on-going needs.

Each case will be treated strictly on its merits and all customers will be treated equally and fairly.

The Benefits Service is committed to working with the local voluntary sector, social landlords, Fareham Borough Council's Tenancy Services and other interested parties in the Borough to maximise entitlement to all available state benefits and this will continue to be reflected in the administration of Discretionary Housing Payments.

The Benefits Service will continue to work closely with the Housing Options Team and advise them of each application received, comment on the assistance they may or may not be providing with regard to housing advice and to obtain information they may hold that will assist in making the Discretionary Housing Payment decision. If financial or housing advice is needed then the Housing Options Team will contact the customer direct to offer this service.

Statement of Objectives

The Benefits Service will consider making a Discretionary Housing Payment to customers who can demonstrate a need for further financial assistance with their housing costs. The Benefits Service will treat all applications on their individual merits and act fairly and equally in their decisions making process. In conjunction with other Council policies and strategies, the Council will seek through the operation of this policy to:

- alleviate poverty
- prevent homelessness and thereby reduce the need and use of temporary accommodation for homeless households
- encourage and sustain Fareham residents in employment
- safeguard Fareham residents in their homes
- help those who are trying to help themselves
- keep families together
- support the vulnerable in our community
- help customers through personal crises and difficult events
- assist those who are in substantially adapted accommodation
- support those providing foster care

Claiming Discretionary Housing Payments

The regulations require that there must be a claim for Discretionary Housing Payments before the Local Authority can consider making an award. An application can be made in writing, by letter or email. Alternatively a verbal request can be made by visit or telephone call to the Benefits Service.

The Benefits Service may request any (reasonable) evidence in support of the application. Additionally an appointment may be offered in order to discuss the application in more detail.

Period of award

The Benefit Service will decide the start and end dates of an award based on the individual merits of the application, the known facts and the evidence supplied.

It may be appropriate to make a short term award to give the customer time to sort out their financial or housing situation, particularly if they are trying to secure alternative accommodation. An indefinite award until a claimant's circumstances change could be considered, particularly if a customer is living in significantly adapted accommodation but who is subject to a reduction in Housing Benefit due to the Social Sector Size Criteria.

An award can also be made to meet a one off housing need such as a deposit or rent in advance. This will generally be if the claimant cannot be assisted through the Council's deposit guarantee scheme or they are not due to have a deposit or rent in advance returned to them in respect of their existing tenancy. A Discretionary Housing Payment for a rent deposit will only be made if the landlord places the deposit in a Government approved tenancy deposit protection scheme. Further information about this can be found at:

<http://www.gov.uk/tenancy-deposit-protection/overview>.

Amount and payment of award

The amount awarded will be based on the individual merits of the case and the overall budget available. However, where the award is to meet a shortfall, the level of Discretionary Housing Payment must not exceed the weekly or monthly eligible rent for the customer's home (as specified in Regulation 12(1) of the Housing Benefit Regulations 2006 and Schedule 4 of the Universal Credit Regulations). For lump sum payments, such as deposits or rent in advance, this limit does not apply.

The Benefits Service will decide on the most appropriate person to pay (this could include an appointee or landlord), and the method and timing of payments, based upon the particular circumstances of each case. In most cases, payment with Housing Benefit will be the most convenient payment method.

Factors considered

In deciding whether to award a Discretionary Housing Payment, officers will take into account any of the following factors which may be relevant:

- The impact of welfare reforms (Benefits Cap, Social Sector Size Criteria, reduction in local housing allowance rates)
- The shortfall between Housing Benefit and the rental liability (net of any ineligible charges)
- The steps taken by the customer to reduce their rental liability
- Any unavoidable overlap of rental liability on two homes
- The financial and medical or social needs and circumstances of the customer, their partner and any other persons in the household
- Any savings or capital held by the customer or family members
- The level of indebtedness of the customer and family
- Any exceptional circumstances of the customer or family members
- Any special reasons which make it necessary or specially desirable for the claimant to occupy the dwelling in respect of which the liability arises
- The probable consequences of rent arrears for the customer or family members, especially if any of them are vulnerable by reason of age, sickness or disability
- Any action taken by the landlord to recover arrears of rent
- The amount available in the Discretionary Housing Payment budget or within the limits of the permitted total
- The possible impact on the Council of not making an award, e.g. the pressure on priority homeless accommodation
- The cost and availability of suitable alternative accommodation within the borough
- The cost of moving prohibiting the customer from moving to suitable affordable accommodation
- Any reason why a household cannot move immediately for reasons such as health, education or child protection.
- Any other special circumstances brought to the officer's attention.

DHPs can cover the following, but are not limited to:

- Reductions in Housing Benefit or Universal Credit where the Benefit Cap has been applied
- Reductions in Housing Benefit or Universal Credit due to the Maximum Rent (social sector) Size Criteria
- Reductions in Housing Benefit or Universal Credit as a result of Local Housing Allowance restrictions
- Rent Officer restrictions, such as Local Reference Rent or shared accommodation rate
- Non-dependant deductions in Housing Benefit or housing cost contributions in Universal Credit
- Rent shortfalls to prevent a household becoming homeless whilst alternative accommodation is being sought

- Rent deposits, rent in advance and associated costs such as removals costs
- Income taper reductions
- Rent on two homes when a customer is treated as being temporarily absent from their main home, for example due to domestic violence

DHP's cannot cover:

- Ineligible service charges
- Increases in rent due to outstanding rent arrears
- Certain sanctions and reductions in benefits

Notification of award

The Benefits Service will notify the customer within one working day of making the Discretionary Housing Payment decision. This notification will include the reasons for the decision that was made; the amount (if any) awarded; the period of the award; how, when and to whom the payments (if any) will be made and the requirement to report any relevant change in their circumstances.

Changes of Circumstances

Recipients of Discretionary Housing Payments remain under a general requirement within the Housing Benefit legislation to inform the Benefits Service of changes in their circumstances that might affect their claim for Housing Benefit. Similarly where the customer is in receipt of Universal Credit and a Discretionary Housing Payment, the customer has a duty to keep the department administering Discretionary Housing Payments updated with their circumstances. The Benefits Service may need to revise an award where the claimant's circumstances have changed.

Overpayments

In the event that a Discretionary Housing Payment is found to have been overpaid, officers will consider whether it is appropriate to recover it in full, in part or not at all. As a general rule, overpayments caused by official error will not be recovered unless the customer caused or contributed to the error or was aware that too much was being paid.

Disputes

Discretionary Housing Payments are not payments of Housing Benefit and are therefore not subject to the statutory appeals process.

The customer, or person acting on their behalf, must write to the Council, giving reasons why they disagree with the decision that has been made. A senior officer within the Benefits Service will look at the decision again and notify the customer of the outcome of their review and the reasons.

Only in exceptional circumstances and if it appears that the interests of natural justice would not be served by the usual procedure, or if the customer still disagrees

with the outcome of an internal review, officers will consider whether to submit an appeal to the Head of Housing & Benefits for consideration. This decision will be final and binding and may only be challenged via the judicial review process or by complaint to the Local Government Ombudsman.

Fraud

The Council is committed to protecting public funds and will ensure that any financial assistance awarded through the DHP scheme is only to those who have a true need for it.

Where a customer has failed to provide information or has knowingly supplied false or misleading information, the Council reserves the right to investigate any alleged offences, to levy penalties in accordance with the law and to prosecute anyone who has committed a criminal offence.