

## ISLE OF ANGLESEY COUNTY COUNCIL

<b>REPORT TO:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>DATE:</b>	<b>17 MARCH 2014</b>
<b>SUBJECT:</b>	<b>ADOPTION OF A LOCAL DISCRETIONARY HOUSING PAYMENTS POLICY SCHEME</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR HYWEL EIFION JONES</b>
<b>HEAD OF SERVICE:</b>	<b>HEAD OF FUNCTION (RESOURCES) – CLARE WILLIAMS</b>
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<b>LOCAL MEMBERS:</b>	<b>NONE</b>

### A - Recommendation/s and reason/s

#### Recommendation

To adopt the Discretionary Housing Payment Policy (DHP) Scheme as set out in **Appendix A**.

#### Reasons

DHP's provide claimants with '*further financial assistance*' to meet their housing costs in addition to any other welfare benefits they receive, where the Local Authority considers that such additional help is necessary.

The Department for Work and Pensions (DWP's) annual funding for DHP was £20m up to April 2011. To help local authorities manage the impact of the housing benefit reforms announced in the June 2010 budget, DHP funding was initially increased to £30m in 2011/12 and up to £60m annually for 2012/13 and for the remainder of the Spending Review period (i.e. until 2015). Since the June 2010 budget announcement, further additional funding have been made available to local authorities to deal with the impact of the welfare reforms - particularly the Social Sector Size Criteria (known as 'bedroom tax') and the Benefit Cap respectively. The total funding now available nationally for the DHP scheme in 2013/14 was £180m and up to £165m in 2014/15.

In addition to the DWP funding, local authorities are allowed to spend up to two and a half times the Government Contribution from their own resources.

For the Isle of Anglesey County Council, the Government's contribution and spending under the Council's DHP scheme for the last four years including 2013/14 is as follows:-

Year	Government Contribution (£)	Overall limit (2.5x) (£)	Spent by Council (£)
2010/11	16,400	41,000	34,343 <sup>①</sup>
2011/12	28,500	71,250	20,866 <sup>②</sup>
2012/13	73,538	183,845	47,729 <sup>③</sup>
2013/14	136,536	341,340	140,378 <sup>④</sup>
2014/15	156,027	390,068	15,275 <sup>⑤</sup>

① Expenditure incurred in 2010/11 above the Government's contribution was as a result of the Menai Broad Rental Market Area being merged into the North West Wales Broad Rental Market Area and Local Housing Allowance (LHA) Rates paid in the private Sector were reduced as a consequence.

- ② The Council was allowed to carry over the unspent Government Contribution into 2012/13 due to the impact of transitional arrangements.
- ③ For 2011/12 and 2012/13 the former DHP policy was modified to take account of the anticipated additional demands resulting from changes to the Local Housing Allowance (LHA) in the private sector. The qualifying criteria were revised in anticipation of an increase in demand from those affected by the LHA changes at the time. This proved not to be the case leading to a modification of the qualifying criteria to allow additional expenditure under the policy toward the end of the period.
- ④ This is the amount spent at 18 February 2014. We anticipate that by the end of the financial year the overall expenditure for the year will be £150k. Expenditure over and above the DWP grant will be covered by the additional grant of £28k awarded to the Council by Welsh Government.
- ⑤ By 18 February 2014, £15k has already been committed to be spent during 2014/15.

There has been a substantial increase in both demand and expenditure on DHP during 2013/14. The number of applications received increased by 420% over the previous year and expenditure increased from £47k in 2012/13 to £140k (year to date) in the current financial year.

The main problem facing the DHP scheme in 2014/15 will be the issue of how to deal with repeat applications from those who continue to be affected by the welfare reform changes. Simply renewing awards to those affected will be unsustainable; the expenditure on these ongoing, indefinite cases would eventually allow little or no funding for new applications. Furthermore, DHP is not intended to be an indefinite top up of shortfalls in rent.

In the table below, is an analysis of DHP applications between 1 April 2013 and 18 February 2014:-

DHP applications received	653 (projected to be over 700 by end of year)
Cases still pending	42 (6.4%)
Cases awarded	404 (61.9%)
Cases refused	207 (31.7%)
Average value per award	£347
DHP applications due to 'bedroom tax'	393 (60.2%) of all DHP applications)
Cases awarded	247 (62.8%) of bedroom tax DHP applications
Cases refused	117 (29.8%) of bedroom tax DHP applications
Cases pending	29 ( 7.4%) of bedroom tax DHP applications

#### **Issues regarding the 2014/15 funding allocation**

The total DHP allocation for 2014/15 (£165m) has been split into four component parts:-

- original baseline before the private sector LHA reforms (£20m);
- LHA reforms (£40m);
- Social Sector Size Criteria (£60m); and
- Benefit Cap (£45m).

Funding for the original baseline is to help people with non-welfare reform related matters, such as issues with non-dependents and helping people transition into work.

Funding for the LHA reforms is based on each local authority's share of total anticipated losses through the introduction of the 30<sup>th</sup> percentile LHA rate.

As regards the Social Sector Size criteria funding is split into two parts. £55m has been allocated based on the aggregated removal of the spare room subsidy losses in each LA area with the remaining £5m distributed amongst the 21 most sparsely populated local authorities.

The Benefit Cap funding is to provide short term support to those affected by the cap.

As at 18 February 2014, the latest available expenditure figures for the Isle of Anglesey County Council based on the above funding criteria is as follows:-

- Original baseline £22,201 (63);
- LHA reforms £31,498 (89);
- Social Sector Size Criteria £81,612 (247);
- Benefit Cap £5,067 (5).

**B - What other options did you consider and why did you reject them and/or opt for this option?**

The Council's proposed DHP Scheme has been revised to take into account

- i. the DWP's own revised 'Discretionary Housing Payments Guidance Manual (including Local Authority Good Practice Guide) which came into effect in April 2013. The DWP consulted widely on its proposed revised manual and has published the responses to its consultation.  
<http://www.dwp.gov.uk/docs/discretionary-housing-payments-guide-draft.pdf>  
<http://www.dwp.gov.uk/docs/discretionary-housing-payments-response.pdf>
- ii. the benefit of operational experience following the introduction of the welfare benefit changes in April 2013

In respect of the Council's proposed local scheme for 2014/15, an initial draft of the policy was issued to relevant internal and external stakeholders for consultation and comments during January 2014. Those consulted were Council housing benefit staff, Council Housing Services, Citizens Advice Bureau and Shelter and registered social landlords. No adverse comments were received. The final version reflects most of the views expressed which include:-

- Clearer guidelines on making second or subsequent awards following an initial 26 week award of DHP. Before renewing an award, the applicant must now show that they have made every effort to improve their situation. Further awards will only be made where the applicant can show that they have made reasonable efforts to improve their circumstances and where that has not happened, it was for reasons outside the control of the applicant;
- The policy not to be too prescriptive thereby allowing staff discretion to consider each request, subject to challenge and review;
- The policy to include the DWP's broader definition of Housing costs as laid out in the DWP's Guidance Manual. This means that in addition to rental liability, housing costs can be interpreted to include - rent in advance, deposits and lump sums associated with housing needs e.g. removal costs and no requirement to repay any 'lump sum' payments made.

The Council undertook an Initial Impact Assessment of its proposed DHP Scheme. The Initial Impact Assessment identifies the groups likely to get assistance under the DHP Policy based on the DWP's own Impact Assessments regarding the groups affected by the UK Government's welfare reforms. The consultation and impact assessment assists the Council in satisfying the public sector equality duty in the Equality Act and are available from the Finance Department, Revenues and Benefits Section.

<b>C - Why is this a decision for the Executive?</b>		
<p>In order to take account of new Department for Work and Pensions (DWP) guidelines for making awards the Council's DHP policy was updated and amended. The revised policy was approved by the executive in March 2013. It was also anticipated that the welfare reform changes would result in an increase in demand for DHP. However, at that time, the extent of additional demand for the scheme could only be estimated. This revision to the DHP policy previously approved by the Executive takes account of operational experience gained following the introduction of the April 2013 changes.</p>		
<b>CH - Is this decision consistent with policy approved by the full Council?</b>		
<p>It is a revision to a policy previously approved by the Executive and requires Executive endorsement.</p>		
<b>D - Is this decision within the budget approved by the Council?</b>		
<p>DHP awards must be made within the overall limit as determined by the DWP (£390,069). Any award in excess of the overall limit is unlawful. The overall limit is 2.5 times the Government Contribution (£156,027).</p> <p>The Council has no specific budget allocated to meet the cost of awards made in excess of the Government Contribution up to the overall limit. This is a financial risk to the Council and, as at present, DHP expenditure will be subject to review on a quarterly basis.</p> <p>Unspent Government Contribution grant must be returned to DWP at the end of the financial year.</p>		
<b>DD - Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	
2	<b>Finance / Section 151</b> (mandatory)	Author of the report
3	<b>Legal / Monitoring Officer</b> (mandatory)	No Comments
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Scrutiny</b>	
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	
<b>F - Appendices:</b>		
<p><b>Appendix A - Local Discretionary Housing Policy Scheme.</b></p>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• DWP's Discretionary Housing Payments Guidance Manual (including Local Authority Good Practice Guide) April 2013;</li> <li>• DWP Housing Benefit Circular HB S1/2014 – "Details of the government contribution towards DHP for local authorities (LAs) in 2014/15";</li> <li>• Finance Department (Revenues and Benefits Section) Initial Impact Assessment, Outcome Report and Action Plan – October 2012.</li> </ul>		



# DISCRETIONARY HOUSING PAYMENTS POLICY 2014

Date	Version	Name
January 2014	1.0	Kevin Spice

## 1. BACKGROUND

- 1.1 The Discretionary Housing Payment (DHP) scheme is intended to provide customers with 'further financial assistance' with their housing costs in addition to any other welfare benefits where the Local Authority (LA) considers that such help is necessary.
- 1.2 Regulations covering payment of DHP are The Discretionary Financial Assistance Regulations 2000. Whilst the regulations give Local Authorities (LAs) very broad discretion as to how they administer the scheme, decisions must be made in accordance with good principles of administrative decision making. In determining whether to make an award the LA must always act fairly, reasonably and consistently.
- 1.3 All DHP awards must be made within the overall cash limits as determined by the Department of Work and Pensions (DWP). The DWP will award the Local Authority (LA) an annual sum (*Government Contribution*) towards administration of the scheme. In addition to the Government Contribution the LA may spend up to two and a half times that amount (*permitted total*) in DHP. Any awards in excess of the permitted total would be illegal.
- 1.4 The amount of money remaining in the DHP 'pot' should not be a factor in the decision making process; each decision must be made on its own merits, regardless of whether an award will be funded by the Government Contribution element or the LA contribution element of the overall Permitted Total. Decision making must be fair, transparent and consistent throughout the year.
- 1.5 Unspent DHP funds must be returned to DWP at the end of the financial year.

## 2. WHAT CAN DHP BE USED FOR?

- 2.1 Housing costs are not defined in the regulations so this gives LAs a broad discretion to interpret the term as they wish. In addition to rental liability housing costs may also be interpreted to include:-
  - Rent in advance;
  - Deposits;
  - Lump sum costs associated with housing need such as removal costs (where such 'lump sum' payments are made, there will be no requirement for them to be repaid by the recipient).
- 2.2 Specific circumstances where DHP may be relevant will include:-
  - Reductions in Housing Benefit (HB) or Universal Credit (UC) where the benefit cap has been applied;
  - Reductions in HB or UC for under-occupation in the social rented sector;
  - Reductions in HB or UC as a result of Local Housing Allowance (LHA) restrictions;
  - Rent shortfalls to prevent a household becoming homeless whilst the Authority's Housing Department explores alternative options;
  - Rent Officer restrictions such as Local Reference Rent or shared room rate;
  - Non dependant deductions;
  - Claimants affected by the "bedroom tax" who foster children;
  - Claimants with specific medical issues that may result in them incurring additional expenditure or needing additional accommodation;
  - Income tapers.

- 2.3 When considering DHP awards for rent in advance or deposits the assessing officer should be satisfied that the new property is affordable and suitable for the tenant's needs.
- 2.4 DHPs are intended as a safety net for those experiencing difficulty in meeting their housing costs. The scheme should not be seen as a means of allowing applicants to maintain a certain level of lifestyle that they may have become accustomed to. To this end, the assessing officer may choose to reduce or refuse DHP where the applicant is clearly not prepared to make reasonable compromises with regards to their expenditure and lifestyle.
- 2.5 DHPs are a short term measure intended to allow the applicant sufficient time to:-
- Seek cheaper alternative accommodation (will not apply to tenants in social housing);
  - Negotiate a lower rent with their landlord (will not apply to tenants in social housing);
  - Seek employment;
  - Modify their household expenditure.

DHP should not be viewed as an indefinite top up of shortfalls in rent; awards will normally be made for a period of 26 weeks. Second or subsequent awards will only be made where the applicant can show that they have made every effort to improve their situation and that any failure to do so has been for reasons beyond their control.

- 2.6 One area of difficulty in assessing eligibility for DHP may arise with regards to applicants with alcohol and/or substance abuse problems. The individuals concerned may lead chaotic lifestyles that result in poor decision making, including expenditure on items that would, to most people, appear to be unreasonable; this should not necessarily preclude making a DHP award.

The main criteria in making a determination in such cases will be to determine whether the applicant is receiving appropriate help to deal with his/her problems. If he/she is being supported on a formal programme, delivered by an official service provider, it may be relevant to consider making an award of DHP. Awards in these circumstances should be supported by documentary evidence from the organisation working with the applicant.

- 2.7 DHP assessment officers must always take account of individual circumstances when assessing the reasonableness of household expenditure. For example, some medical conditions or disabilities may require high levels of expenditure on certain items; this should not necessarily preclude making an award. However, where such situations apply, the assessing officer may require the applicant to provide documentary evidence in support of the stated expenditure.
- 2.8 Following the abolition of Council Tax Benefits in 2013, **DHP can no longer be made towards Council Tax Liability.**

### 3. CRITERIA FOR MAKING DHP AWARD

- 3.1 Before making an award LAs must be satisfied that the claimant is entitled to:-
- HB; **or**
  - UC; **and**
  - Has a rental liability; **and**
  - Requires further financial assistance with housing costs

**3.2** Following the introduction of Universal Credit, LAs will have to consider DHP claims from customers who are not receiving HB. Customers receiving UC will not receive a specific amount towards housing costs. In such cases the assessing officer should ensure that the UC award:-

- Does include a housing costs element; **and**
- The amount of DHP awarded does not exceed the claimant's weekly eligible rent.

#### **4. WHAT DHP CANNOT COVER**

**4.1** Certain elements of a claimant's rent that cannot be included in housing costs for DHP because the regulations specifically exclude them. Excluded elements include:-

- Ineligible service charges;
- Increases in rent due to outstanding rent arrears;
- Certain sanctions and reductions in benefit.

**4.2** In addition to the above, DHP will not be paid in respect of shortfalls resulting from:-

- A claimant choosing to lead an unreasonably lavish lifestyle which is clearly beyond his/her means (determining lifestyle may require a home visit)
- Repayment of overpayments and fines

#### **5. THE APPLICATION PROCESS**

**5.1** Regulations require that there must be a claim for DHP before the LA can consider making an award.

**5.2** The LA will actively promote the DHP scheme with internal and external partners as well as with HB/UC claimants. Where staff identify situations where DHP may be relevant, they should always invite the customer or his/her representative to make an application.

**5.3** Applications must be made in writing and may be received by the Revenues and Benefits Section or any department within the LA acting on their behalf. Where an application is made to a department other than the Revenues and Benefits Section, it will be passed to them for determination.

**5.4** Applications for DHP should be accompanied by a statement of the applicant's income and expenditure in order to determine whether they are suffering financial hardship. If requested, the claimant may also be required to provide documentary evidence in support of stated expenditure. Applicants for 'one off' payments may be required to provide bank statements in support of their application for DHP.

**5.5** Where the DHP application relates to removal costs, the applicant will provide two quotes for the cost of the move.

**5.6** DHP applications will normally be made by the person entitled to HB or UC. However, claims can also be accepted from third parties such as appointees or advocates acting on behalf of the claimant if they are vulnerable.

#### **6. THE DECISION MAKING PROCESS**

**6.1** Each application for DHP should be considered on its own merits. Decisions should be fair and consistent throughout the year. The amount of funding available in the DHP 'pot' should not be a consideration in the decision making process.



- 6.2** When calculating entitlement, the LA should consider income and expenditure from all sources. Consequently, some benefits, normally disregarded in the means testing process will not necessarily be disregarded when assessing eligibility to DHP. The assessing officer will have discretion to decide whether or not to take such benefits/allowances into account.
- 6.3** Where the applicant can show that benefits/allowances have been used for the specific purposes that they were intended, for example, additional expenditure required because of a disability or medical condition, the assessing officer can choose to disregard them as income when assessing DHP entitlement.
- 6.4** On occasion, the assessing officer may ask for a Revenues and Benefits Visiting Officer to call at the home of the applicant in order to obtain a clearer view of the applicant's circumstances and living conditions.
- 6.5** Should the assessing officer determine that an applicant's stated expenditure on certain items is unreasonably excessive, they have discretion to disregard part or all of that expenditure in the financial assessment. Similarly, where the officer deems that the applicant is clearly living beyond their means in an unreasonable manner; they may choose to disregard such expenditure from the calculation.
- 6.6** In some instances, an applicant will provide expenditure profiles that are clearly unrealistically low or do not include expenditure that would normally be present in any household. In such cases, the assessing officer should consider increasing the expenditure profile by an appropriate notional amount in order to ensure that the applicant is not unduly disadvantaged during the DHP assessment process.
- 6.7** The assessing officer should avail him/herself of all relevant information relating to the application before reaching a decision. To this end, if a home visit is not conducted every effort should be made to interview the applicant, either in person, or on the telephone, in order to obtain a more accurate picture of their circumstances.
- 6.8** DHPs are not intended as a long term solution to rent shortfalls. Consequently, 26 week awards of DHP will not be renewed unless there are exceptional circumstances.
- 6.9** In some instances it will be clear that the applicant's circumstances are completely unsustainable; an award of DHP would have no impact on the claimant's ability to remain in their home regardless of any compromises that they may make. In such circumstances, an initial award may be made in order to allow the applicant 'breathing space' to make alternative accommodation arrangements. However, repeat awards in such circumstances will be unlikely.
- 6.10** DHPs are not intended to be an indefinite top up of a shortfall in rent. Consequently, assessing eligibility for second, or subsequent, awards at the same address will require additional factors to be considered to those applied to an initial application. The assessing officer must consider whether the applicant has made all reasonable efforts to improve his/her circumstances since the initial DHP award. Factors to consider will include:-
- Efforts to reduce household expenditure – has household expenditure reduced since the original DHP award was made? If expenditure has not reduced, is there a valid reason?
  - Efforts to re-negotiate rent with the contract rent. Has the tenant given permission for the Landlord Liaison Officer to approach their landlord? (will not apply to social housing tenants);
  - Efforts to seek cheaper accommodation or to downsize if they are over accommodated social housing tenants. Have they actively sought cheaper alternative accommodation – what evidence do they have of this?

Assessing this element of repeat applications will be a subjective matter; each case must be considered on its own merits. Where it is accepted that the applicant has made every reasonable effort to improve their situation, **or**, the circumstances preventing them from doing so were beyond their control, it may be appropriate to make a further award. However, where it is clear that the applicant has made no effort to improve their circumstances; a further award will not normally be appropriate.

- 6.11** There will be some cases where ongoing, long term, financial hardship suggest it would be neither reasonable nor feasible for the DHP applicant to move home or to reduce their household expenditure; for example, someone with disabilities living in a property adapted for their needs. In such cases, a longer term award may be appropriate. Awards of 12 months should be made and reviewed annually in order to determine whether there has been a change of circumstance that would preclude extending DHP for a further period.
- 6.12** Expenditure on fines or benefit overpayments will not be considered in the financial calculation; DHP cannot be seen to be paying off such liabilities.
- 6.13** The question of whether or not to accept expenditure relating to the servicing of debts in the DHP calculation will often be a contentious one. Whilst the repayment of outstanding debts will clearly place additional financial pressure on many households, DHP should not be viewed as a means of paying off such debts. DHP assessing officers will need to consider the amount of the debt outstanding as well as how and when it was incurred before making their determination. Factors to be considered with regards to expenditure on the servicing of debt will include:-
- Has the claimant sought to re-negotiate non priority debts? e.g. credit card agreements
  - Have they sought professional advice on how to clear their debts or reduce repayments?
  - Could the claimant afford to service the debt before they began claiming benefits?
  - Have the debts been incurred as a result of irresponsible borrowing/expenditure whilst in receipt of welfare benefits?
- 6.14** In cases where the applicant is at risk of becoming homeless, Revenues and Benefits staff should liaise with the Housing Options Team in order to determine whether there may be another course of action or alternative source of funding that may be more relevant than DHP.
- 6.15** Where the applicant is in imminent danger of eviction, the DHP application should be 'fast tracked'. Fast tracking will only be considered when the request is from an official body such as CAB, Housing Department, and Social Services etc. Where fast tracking is appropriate, the matter should be fully resolved within three working days.
- 6.16** If all supporting information is not present when fast tracking is deemed necessary, DHP should be awarded for a period of one month pending receipt of the required supporting evidence. The applicant should be told that the award is an interim one and, that there is no guarantee that DHP will continue once all required information is received.
- 6.17** If, following receipt of all information, it transpires that DHP would not have been awarded; any fast track payment already made should not be recovered.
- 6.18** Where a DHP application is made due to a shortfall between Housing Benefit and contract rent, the case should be referred to the Housing Options Team to see if a rent reduction can be negotiated (this can only be done with the permission of the claimant) The DHP application will proceed as normal; however, if the Landlord Liaison Officer is successful in negotiating a rent reduction, any DHP awarded will be reduced or extinguished as appropriate.
- 6.19** DHP applicants should always be asked to give their consent for their landlord to be contacted. Where consent is refused, they should be informed that failure to give consent without good cause may result in their application for DHP being refused.

**6.20** In some instances it may be necessary to discuss the DHP application with other departments or agencies before making a final determination on the matter. In such instances the approval of the claimant to share information should always be obtained.

**6.21** The length of the award will be determined by the person dealing with the claim. Normally, awards will be for a period of 26 weeks; however, in some circumstances an open ended award may be relevant. Where an award is indefinite, it should be reviewed annually to ensure that there has been no material change in circumstances. A change in the DHP recipient's circumstances during the award period may lead to the reduction or termination of the award.

**6.22** Payment will normally be made to the claimant; however, in some instances, payment to a third party may be appropriate:-

- Landlord in the case of rent in advance or deposit;
- Landlord if the claimant is considered vulnerable and is already having HB payments made to the landlord;
- Removal company for removal expenses;
- By way of a credit on the rent account in respect of Rent Rebate shortfalls;
- Landlord where there is already rent arrears equivalent to one month or more.

**6.23** DHP Applications should be considered in the light of the applicant's current circumstances as well as their previous history. Factors to consider will include:-

- Have they received returned deposits from their previous tenancy?
- Was the applicant able to afford the rent liability when they first moved into the property?
- Do they frequently move to properties with unreasonably high rent?
- Do they have a history of renting properties larger than they need?
- Is the applicant or his partner expecting a child and is moving to a larger property in anticipation of the need for an additional bedroom?
- Do they have any medical or family circumstances that would warrant payment of DHP
- Has the applicant demonstrated that they have made reasonable efforts to find cheaper alternative accommodation?
- Are there any exceptional or unforeseen circumstances that would warrant the award of DHP?

**6.24** In some instances, DHP awards may be conditional on the applicant agreeing to a course of action that may help alleviate their financial problems. The applicant cannot be compelled to undertake the suggested action. However, they should be informed that failure to agree to any suggested actions may lead to applications being refused despite there being a financial case for an award. Such circumstances may include:-

- Failure to accept a referral for help/advice to either internal or external stakeholders with regards to financial capability, budgeting, debt management etc;
- Failure to give authority for the Housing Options Team to contact their landlord to try and negotiate rent reduction;
- Refusing to consider referrals for financial capability training or debt management advice despite the fact that their financial statement show clear problems in these areas.

Conditional DHP awards will be subjective and, potentially, contentious in nature; care should always be taken to ensure that any conditional actions placed upon the applicant are fair and reasonable and do not place unrealistic expectations upon them.

- 6.25** With regards to lump sum payments, there will be no need to establish entitlement to HB at the address from which the application is received. As long as the applicant was in receipt of HB/UC at their previous address (even if the property was outside the LA boundary) DHP may be paid. Checks should be carried out to establish whether or not the LA where the applicant previously resided have already paid DHP in respect of the move.
- 6.26** When considering an application for a deposit or rent in advance, the following criteria should be considered:-
- Why is the applicant moving? There must be a justification for the move, for example, medical reasons, over accommodation or overcrowding etc. DHP should not be used to cover situations where the applicant simply wishes to move to another property;
  - Will the new property be affordable to the applicant? DHP should only be considered when the new property is affordable and suitable for the claimant's needs.
- 6.27** If the application for deposit/rent in advance is for a property outside Anglesey, payment can still be made if the claimant is currently entitled to HB or UC within the area.
- 6.28** In certain circumstances, payment of DHP on two homes may be appropriate e.g. someone fleeing domestic violence.
- 6.29** Backdated awards can be considered, however, backdated DHP cannot be awarded in respect of a period before 2<sup>nd</sup> July 2001.

## **7. TIMESCALES**

- 7.1** DHPs are requested because the applicant is suffering hardship as a result of experiencing difficulty in meeting their housing costs. Consequently, it is essential that applications are dealt with as quickly as possible. Unless exceptional circumstances prevent it, all DHP applications should be determined within one month of receipt.
- 7.2** Where the officer administering the DHP application deems a home visit to be appropriate, this should be undertaken as soon as is practical so as not to create unnecessary delay to the determination process.
- 7.3** A home visit may not be required if all supporting evidence of income and expenditure is present with the DHP application **and** there is no indication of unreasonable expenditure or, that the applicant is living beyond his/her means in an unreasonable manner

## **8. THE AMOUNT OF DHP**

- 8.1** The amount and length of an award will vary depending on individual circumstances. It may take the form of a 'one off' payment or regular periodic payments. In some cases, an indefinite award may be appropriate. Where such an award is made, it should be reviewed on an annual basis in order to ensure that there has been no change in circumstances that may be relevant to the award.
- 8.2** The level of award may cover all or part of a shortfall in rent or assist with the costs of taking up a tenancy. However, awards must not exceed the amount of the claimant's eligible rent (this will not apply in the case of 'one off' payments such as deposits, rent in advance or removal costs).
- 8.3** Where 'one off' payments for rent in advance or rent deposits are made, the applicant should be made aware that the award must be used for the purpose stated. Failure to use the award for the stated purpose may result in the sum having to be repaid by the claimant.

## 9. APPEALS

- 9.1 DHP are not part of the HB scheme and are, therefore, not subject to normal appeal rights. However, the interests of natural justice dictate that there should be recourse to a formal review process where the applicant disagrees with the LA determination.
- 9.2 Where the applicant disagrees with the decision not to award DHP or the amount or length of award, they can request that the decision be reconsidered. The reconsideration will be undertaken by a different officer at a more senior level.
- 9.3 Should the applicant disagree with the reviewing officer's determination, they can request that the matter be referred to a panel of the Council's elected members for a final determination on the matter. When considering their decision elected members should ensure that their decision is made in accordance with the Council's DHP policy and be mindful of the fact that any award must not result in the Council's 'permitted total' being exceeded.
- 9.4 Should the applicant feel dissatisfied with the way that the matter has been dealt with by the LA, they also have recourse to the Local Government Ombudsman Service or Judicial Review

## 10. NOTIFICATIONS

- 10.1 Following determination of an application for DHP the applicant must be notified of the outcome in writing. Notifications will include the following:-
- The amount of award;
  - Whether the award is to be paid as a lump sum or over a period;
  - The period of the award including the date of termination if relevant;
  - The method of payment;
  - To whom the payment is to be made;
  - Where the award is for less than the amount of shortfall; an explanation of how and why the figure was determined;
  - Explain that the award is intended to:-
    - Allow the applicant time to seek cheaper alternative accommodation;
    - Negotiate a lower rent with the landlord;
    - Help alleviate short/medium term financial hardship.
  - Explain that awards made on the grounds of error, misrepresentation or a failure to declare material facts may be recovered;
  - Explain that the applicant is required to notify the HB section if their financial circumstances change during the period of DHP award. Failure to notify changes may result in recovery of the DHP;
  - An explanation of the appeals process.
- 10.2 Where the award is for a deposit it should include information about landlords' legal obligations to protect the deposit in government approved *tenancy deposit protection scheme*.
- 10.3 Where DHP has been refused, the notification must give sufficient information to allow the applicant to decide whether to request that the matter be reconsidered or to lodge an appeal. The notification should clearly state the reasons for the decision and the factors taken into account when reaching that decision.
- 10.4 The notification should also clearly distinguish that appeal rights relating to the determination for DHP are separate from the appeal rights relating to HB and UC

- 10.5** Where DHP is paid with HB, notifications must clearly show how much is HB and how much is DHP.
- 10.6** When a DHP award period is due to end, the claimant will be notified of the fact one month before the award is terminated. They will also be sent an application form for a repeat award. However, it should be made clear that there is no guarantee that a repeat application will be successful even if the claimant's circumstances remain unchanged.
- 10.7** Where the applicant has given their permission for the landlord to be made aware of the outcome of the DHP application, the Authority will notify the landlord of both successful **and** unsuccessful outcomes.

## **11. PAYMENT CYCLES**

- 11.1** Payment cycles will vary depending on the circumstances of the applicant and the reason for the award. Where a 'one off' payment is awarded, the notification should make that fact clear to the claimant.
- 11.2** Periodic payments will normally be made on a four weekly basis; however, weekly payments may be relevant should the claimant indicate that they have problems with money management/budgeting.

## **12. OVERPAYMENTS AND RECOVERY**

- 12.1** Where an award of DHP has been made as a result of an error, misrepresentation or failure to disclose a material fact, fraudulently or otherwise, any resulting overpayment may be recovered.
- 12.2** Overpaid DHP awards cannot be recovered from other prescribed benefits. The only method of recovery is to request repayment of the debt from the claimant. This may be via the council's sundry debtor system, debt collecting agencies or the courts.
- 12.3** There is no requirement for DHP awards in respect of rent deposits to be repaid so long as the award has been used for the purpose stated.
- 12.4** DHP awards made 'on account' under the fast track process should not be recovered

## **13. RECORD KEEPING**

- 13.1** Department for Work and Pensions are required to monitor how DHPs are being used by customers affected by welfare reform. Consequently, Local Authorities are required to record the main reasons for making awards. Each DHP award should be recorded under the following categories:-
- To support customers affected by the benefit cap;
  - To support customers affected by the social rented sector size criteria;
  - To support customers affected by LHA reforms;
  - Any other reason.