



# **BURNLEY BOROUGH COUNCIL**

## **Discretionary Housing Payments**

### **Housing Benefit**

## **1. Background**

- 1.1 The Government awards the Council funding each year to support the administration of Discretionary Housing Payments (DHPs). DHPs provide customers with further financial assistance, in addition to Housing Benefit (HB), to help with housing costs.
- 1.2 The Discretionary Financial Assistance Regulations 2001 allow Local Authorities the discretion to award a DHP for claimants suffering financial hardship in individual cases.
- 1.3 DHPs are a cash limited fund which will be made available to all persons liable to pay rent (whether of pension or working age) and in receipt of Housing Benefit where their award of HB does not meet 100% of their rental liability or where they are in receipt of the Housing Costs element of Universal Credit (UC).
- 1.4 There are two components to the way in which a DHP can be awarded:
  - Where there is a shortfall between the amount of Housing Benefit awarded and the rental liability; or
  - In certain circumstances, a one-off amount may be awarded.
- 1.6 DHP payments are not payments of HB.
- 1.7 DHPs are only intended as short term assistance and should not be considered as a way of reducing rental liability indefinitely.
- 1.8 All applications for DHPs will be treated on their individual merits and all claimants will receive equal and fair treatment regarding accessibility to the fund and the decisions made.

## **2. Definition of hardship**

- 2.1 The Council recognises the importance of protecting its most vulnerable customers when they are suffering hardship and when they have been affected detrimentally by the Welfare Reform changes. As the DHP fund is cash limited, it cannot support all claimants affected by the government's Welfare Reform agenda. This policy has been created to ensure that a level of protection and support is available to those applicants who are most in need.
- 2.2 Hardship can arise in many circumstances. These include, but are not limited to:
  - Multiple and complex issues faced by the claimant and his/her household;
  - A reduction in income due to illness suffered by the claimant;
  - The death of a partner or dependant;
  - Sudden increases in other expenses such as may be required due to a family member's illness or incapacity;
  - Where other financial support mechanisms have been exhausted.
- 2.3 The Council will consider all relevant circumstances and resources. For example, it may not be appropriate to attempt to alleviate hardship through the award of financial assistance where advice and assistance in accessing other additional available support may be of greater benefit.

### **3. What types of shortfalls can DHPs cover?**

3.1 The various types of shortfalls that a DHP can cover include:

- Reductions in HB or 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 shortfall to prevent a household becoming homeless while the housing authority explores alternative options;
- Rent Officer restrictions, such as local reference rent or shared room rate;
- Non dependant deductions;
- Income tapers.

### **4. What type of one-off payments can DHPs cover?**

4.1 One-off amounts may be awarded where a customer is not yet in receipt of HB but where the Council considers the customer is in need of financial assistance towards their housing costs. One-off payments could include rent in advance, deposits or other lump sum costs associated with a housing need such as removal costs.

### **5. Administering the Scheme**

5.1 The Council is committed to working with the local voluntary sector, social landlords and other interested parties in the borough to maximise entitlement to all available welfare benefits and support and this will be reflected in the administration of the DHP scheme.

5.2 In administering the scheme, the Council aims to:

- Alleviate poverty;
- Encourage Burnley residents to obtain and sustain employment;
- Help those who are trying to help themselves;
- Support the vulnerable in the local community;
- Help customers through personal crises and difficult events;
- Prevent homelessness;
- Support Burnley residents affected by the benefit cap, the social sector size criteria and Local Housing Allowance reforms;
- Apply consistency and fairness in the application;
- Consider and determine an award quickly enough for the fund to provide effective assistance.

### **6. Factors to be taken into account in determining hardship**

6.1 The Council will consider the full circumstances before deciding whether or not to award a DHP.

6.2 In deciding whether to award a DHP, the Council will take into account:

- The shortfall between HB and the rent liability (net of any ineligible charges);
- The difficulty experienced by the claimant in meeting their housing costs and the length of time this difficulty will exist;
- Any steps taken by the customer to reduce their rental liability, for example whether the customer has tried to find cheaper accommodation;

- Whether the claimant has taken on a property that, at the outset, was not affordable to them;
- The financial and medical circumstances (including ill health and disabilities) of the customer, their partner and any other members of their household, including dependants;
- The income and expenditure of the customer, their partner and any other members of their household, including any dependants.
- Whether the customer has applied for all sources of income, advice and support available to them;
- The savings or capital held by the customer or their household;
- The level of debt of the customer and their family and the steps the claimant has taken to alleviate this situation, for example seeking debt advice, negotiating payment arrangements etc.
- Risk of homelessness where we think that a DHP will prevent this;
- Temporary hardship and difficulties when making the transition from long-term benefits to work;
- Whether the customer is affected by the benefit cap, the social sector size criteria or other LHA reforms;
- For those claimants affected by the social sector size criteria, the Council will consider whether the home has been significantly adapted for the disabled needs of the claimant and/or any member of their household and/or if the claimant is a foster carer.

## **7. What a DHP does not cover**

### **7.1 DHPs cannot be awarded in the following circumstances:**

- To help towards ineligible service or support charges;
- To help towards Council Tax;
- To cover rent arrears, which are not eligible for HB;
- To cover reductions in benefit as a result of Jobseeker's Allowance sanctions, child support sanctions or sanctions following certain benefit related offences;
- Towards HB that is suspended;
- To cover deductions from on-going HB due to an overpayment;
- To cover any period outside an existing HB period granted under the HB statutory scheme.

## **8. Who can apply for a DHP?**

8.1 In most cases, the person who claims a DHP should be the customer who is entitled to HB and/or the Housing Costs element of UC. However, claims will also be accepted from someone acting for the customer such as an appointee, carer, or advocate.

## **9. Who cannot apply for a DHP?**

- The landlord of a tenant who is in receipt of HB;
- Estate agents/managing agents on behalf of a landlord;
- Friends/relatives of the claimant (unless they are acting as an appointee or under a power of attorney);
- Support agencies (unless acting as an appointee or under a power of attorney).

## **10. How to apply for a DHP**

- 10.1 A customer must complete and return to the Council, a properly completed DHP application form and any evidence requested within the application form. Forms are available online at [www.burnley.gov.uk](http://www.burnley.gov.uk) and at Contact Burnley.
- 10.2 The claimant must provide information or evidence in support of the application. This must be provided within one month of submitting the application or the application may be made ineligible.

## **11. One-off payments**

- 11.1 In deciding whether to award a one-off payment, the Council will consider:
- The affordability of the tenancy for the claimant;
  - If the one-off moving costs relate to a move to cheaper alternative accommodation where an existing award has been reduced because of the welfare reforms;
  - Whether the customer is due to have a deposit or rent in advance in respect of their existing tenancy returned to them;
  - Whether the customer has received/applied for assistance from alternative sources such as the Council's bond scheme.
- 11.2 The Council will decide whether the one-off amount requested is reasonable and will require evidence relating to the request.

## **12. Subsequent and Multiple Applications**

- 12.1 Claimants may make subsequent applications once their award has expired or if their circumstances change or worsen if they have been previously refused.
- 12.2 DHPs are intended as short-term assistance and the claimant will be expected to have made clear attempts to improve their financial and housing circumstances during the course of any award.
- 12.3 There is no guarantee that further awards of DHPs will be made but each application will be considered on its own merits.

## **13. Period of award**

- 13.1 The start date of an award will be the Monday after the written claim for a DHP is received by the Benefits Service.
- 13.2 Awards will be granted with a defined amount and period and will not normally exceed 26 weeks.

## **14. Backdating**

- 14.1 Any reasonable request for backdating an award of a DHP will be considered but such consideration will be limited to:
- The current financial year; and
  - Will not be granted for a period exceeding 3 months prior to the date of the original request.

## **15. Amount of Award**

15.1 The amount of each award will be determined on an individual basis but will not exceed the difference between the rental liability and the HB in payment. One-off awards will be considered on their own merits.

## **16. Method of Payment**

16.1 Payments to meet shortfalls in rent will be paid at the same frequency and in the same manner as HB or UC payments. One-off payments will be paid as appropriate with regard to the individual circumstances of the claim.

16.2 In most cases, shortfalls in rent and one-off payments may be made directly to the claimant but could be made directly to the landlord, agent or appointee if appropriate to do so.

## **17. Change of circumstances**

17.1 The claimant must inform the Council about any changes in their circumstances that might affect their claim for DHP.

## **18. Overpaid DHPs**

18.1 In the event that a DHP is found to have been overpaid, the Council will consider whether it is appropriate to recover it in full, in part or not at all.

18.2 If the Council decides to recover the amount overpaid, it will raise an invoice and send it to the claimant.

18.3 The Council will not recover the amount from on-going HB entitlement.

## **19. Notifications**

19.1 The Council aims to inform the customer, in writing, of the outcome of their application within one calendar month of receipt of all the information requested.

19.2 Where the application is successful, the letter will include:

- The amount of DHP awarded;
- The period of the award;
- When the award will be paid;
- The requirement to report changes in circumstances;
- What the claimant can do if they do not agree with the award;
- Details of where the claimant can obtain independent financial advice.

19.3 Where the application is not successful the letter will include:

- The reasons for refusing the application;
- What the claimant can do if they do not agree with the decision;
- Details of where the claimant can obtain independent financial advice.

## **20. Appeals**

20.1 This is a discretionary scheme. DHPs are not payments of HB and the customer does not have the right to appeal to the HM Courts and Tribunal Service to change the decision.

20.2 However, a claimant can request that the decision is reviewed. To do this, the claimant must write to the Council, within one month of the original decision, stating why they disagree with the decision. The request for a review will be

considered within one month and the claimant will be notified, in writing, of the outcome. This decision will be final

## **21. Fraud**

- 21.1 The Council is committed to the fight against fraud in all its forms. A customer who tries to fraudulently claim a DHP by making a false statement or by providing false evidence in support of their application may have committed an offence under the Fraud Act 2006.
- 21.2 Where it is alleged, or the authority suspects, that such a fraud may have been committed, the matter will be investigated and, if fraud is found to have occurred, action will be taken, including the recovery of overpaid monies and, if appropriate, criminal proceedings.