

## Discretionary Housing Payments



## **Introduction**

1. Discretionary Housing Payments (DHPs) are made by the Council to assist Housing Benefit recipients with their housing costs. Usually this will occur when Housing Benefit does not cover the full rent and the household has difficulty meeting the remaining rent.
2. DHPs will continue to be administered by the Council after Universal Credit has replaced existing means-tested benefit systems.  
DHPs are paid from a cash-limited budget and this policy framework sets out an agreed approach to deciding who should get a Discretionary Housing Payment (DHP) award. It is designed to make discretionary decision-making more systematic, consistent and transparent.
3. It is not possible (and not the intention) to make an award in every case where there is such a shortfall. So this policy framework is a way of helping to decide priorities for payment when demand may exceed supply.

## **Aim of this Policy**

4. There is no automatic entitlement to a DHP. The Council cannot help everyone requiring assistance with housing costs so difficult decisions have to be made about priorities and who to assist. It is important that we assist those households who need help the most.
5. Including Newport, 20 of the 22 Local Authorities in Wales have collaborated to develop a policy to ensure awards are fair and consistent and prioritise those in greatest need. This policy sets out the overall objectives of making award decisions based on the priorities of the households applying for DHP:
  - To give all applicants as fair and consistent a decision as possible.
  - To make decisions that are designed to improve outcomes for people.
  - To spend the budget and keep to a minimum any in-year changes to priorities (which may be needed to avoid overspends or underspends).
  - Generally to give greater priority to:
    - helping those who are making efforts to help themselves;
    - supporting those who have done all they can to manage the situation they are in, and can't realistically do any more;
    - preventing negative outcomes such as homelessness which are likely to involve further hardship for the household as well as additional and avoidable costs for the council.

## Policy

6. The critical factors in deciding priorities are:

6.1 The financial circumstances of the household;

- For all applications, a financial assessment is made, comparing income with expenditure. This is as simple as possible but sufficient to make a reasonable judgement. All income and outgoings are considered and any capital taken into account. No source of income is disregarded and all expenditure is taken into consideration. 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 is that help should go to those who have no other means of meeting the need.
- The test is slightly different in the case of lump-sum payments (e.g. rent deposits, rent in advance and removal costs). The test will then be in two parts: first, are there any savings that can meet the need? If not, is income at or below expenditure, or not significantly above, and has the applicant no prospect of saving the amount needed?

6.2 The wider circumstances of the household, including the extent to which members of the household can't reasonably be expected to do more, as well as the wider financial consequences of not making an award.

6.3 The ability of the members of the household to manage the situation;

- DHPs can often be most effectively used as a temporary measure 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 a Local Housing Allowance (LHA) shortfall looking for cheaper accommodation or those with spare rooms who are arranging to move or take in a lodger.
- However 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 who is unable to work or take in a lodger, and who is already managing the household budget as effectively as possible.

6.4 The need to avoid further cost and hardship

- DHPs can be used imaginatively to help prevent further hardship such as eviction and the associated costs to the council of 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. This criterion is simply about avoiding further cost and hardship.

- It is unlikely to be viable to pay DHP's indefinitely in these circumstances. If a household is threatened with eviction, the situation cannot be left to continue indefinitely. A solution needs to be found, whether it is the provision of alternative accommodation or some action by the household to reduce arrears. The highest priority under this criterion is applied when there is a solution in sight.

### **Conditionality**

7. Most of the highest priority awards are paid unconditionally, either because there is not likely to be any short-term change in the circumstances giving rise to the DHP, or the household is already doing everything possible to manage the situation they are in.
8. All other awards are subject to at least some conditionality, designed to encourage the applicant to resolve the shortfall in rent without access to DHPs. The extent of the conditionality depends on the circumstances – in some cases it is relatively light touch, in others it is very strict. In many cases, conditionality will involve signposting to support and advice agencies.

### **Length of Award**

9. The length of the award is related closely to the level of conditionality attached. Where no conditionality is attached to an award, i.e. a longer-term need, it is usually desirable to make an award up to a maximum of 52 weeks (or more) as the situation giving rise to the DHP is unlikely to change. In these circumstances, short-duration awards simply lead to unnecessary repeat awards. In other cases, where conditionality is applied, the duration of award typically varies between 6 and 26 weeks depending on the length of time needed to meet the conditions successfully. There is no standard period for an award.

### **Repeat Awards/Extensions**

10. Again, conditionality is the key factor in deciding whether a repeat award should be made. There are normally no restrictions 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.
11. Where there are conditions attached to the award, the award is usually terminated after the initial award period. If the applicant then applies for a further award, this is made only if the applicant is meeting the conditions of the initial award. Where a further award is made, it may be a partial award (see below).

12. An award may be extended for a short period, without the need for a new application, in certain circumstances:
- Where a request has been made by support workers for a valid reason;
  - When awaiting a change of events (e.g. house move, birth of child);
  - When further time is required to meet the conditions attached to an award.

#### **Partial awards**

13. The award is usually for a weekly amount which will meet in full the shortfall between the rent and Housing Benefit payable. However, there may be occasions when it will be more appropriate to make a partial award. Partial awards may be made where:
14. Some income is available to the household (but not enough to pay the rent shortfall), including situations where more income becomes available because debts are paid off;
- There is a deliberate policy to allow a household to adjust gradually to a new situation e.g. the benefit cap;
  - Conditions have been attached to an award but the conditions have not been met;
  - At the discretion of the council in certain other circumstances (e.g. where there is an unreasonably high rent in private sector cases).

#### **Change of circumstances**

15. All applicants are expected to report changes of circumstances as they would for Housing Benefit. It is particularly important that applicants notify changes in income, expenditure patterns or the composition of the household. Most notifications of a change of circumstances are related to Housing Benefit in the first instance but, where a DHP is payable, they usually trigger the cancellation of the DHP award. This can be followed by a new application if appropriate.
16. Overpayments of DHPs are generally calculated and, where appropriate, an attempt made to recover them.

#### **Applications for DHPs**

17. Applications can be completed online on the Council's [www.newport.gov.uk](http://www.newport.gov.uk) website, or through partner agencies and Housing Associations. Paper copies of the form can be obtained from and handed in to the Information Station.