

# Reading Borough Council

## Discretionary Housing Payment Policy

2018/19

## *1. Introduction*

Discretionary Housing Payments provide additional financial support for claimants of Housing Benefit or Housing Costs Element of Universal Credit who are deemed by the Council to be in severe financial hardship or have exceptional circumstances, and need further assistance to meet their housing costs.

Discretionary Housing Payments can be paid in a lump sum or a series of payments to the applicant or a third party (such as a landlord) at the discretion of Reading Borough Council.

Discretionary Housing Payments are paid from a limited budget, and each decision is made based on information and evidence supplied with the application on its own merits. However, consideration will also be given to the remaining cash limit set by the Secretary of State, and the extent that a Discretionary Housing Payment can be used to assist the applicant.

Due to the implications of the wider welfare reform changes, the Council will have to carefully target Discretionary Housing Payments to those people deemed to be in most need, which means that not all applications for additional discretionary payments under this scheme will be successful.

In order to manage the Discretionary Housing Payment budget as effectively as possible we have introduced conditions to the majority of Discretionary Housing Payment awards, the use of conditionality has been perceived as good practice in most Local Authorities.

Conditions ensure that claimants know what steps to take, and how to improve their situation and reduce their need for a further Discretionary Housing Payments. Where conditions have not been met, a further award may not be made.

The Discretionary Housing Payment scheme is totally separate to Universal Credit, Housing Benefit and Council Tax Support. Reading Borough Council has a separate Discretionary Council Tax Support Payment scheme for assistance towards Council Tax liability.

## *2. Statement of objectives*

Our Discretionary Housing Payment Policy has the following key objectives:

- To prevent homelessness by sustaining tenancies;

- To help people who have demonstrated they need additional financial support on account of medical grounds or on grounds of disability to meet their housing costs;
- To help people through personal crisis or difficult events who are facing severe financial hardship;
- To help people who are deemed to be facing severe financial hardship or difficult circumstances, as a result of the wider welfare reform changes.

Priority and Non-priority groups have been established to ensure that the most vulnerable applicants are safeguarded and assisted with longer term awards. Short-term awards will be made to applicants falling outside the priority groups whilst advice and assistance is provided on what options are available to them and conditions put in place that they must meet to reduce their reliance on a Discretionary Housing Payment.

### *3. Priority groups*

Priority Groups are defined as:

- People with health or medical problems who need access to local medical services or support that might not be available elsewhere.
- People with disabilities who receive informal care and support in their current neighbourhood from family and friends which would not be available in a new area. In this respect we would also consider families who have a child with a disability who rely heavily on local support networks.
- Vulnerable adults who have lived in the area for a long time and would find it difficult to establish support networks in a new area.
- Severely disabled tenants in substantially adapted properties.
- People requiring an extra room for a member of the family for medical reasons in line with the Council's Allocations Scheme.
- People approaching Pension Credit age (up to 6 months before pension age).
- Pregnant women expecting their first child who require an extra room (up to 6 months prior to due date).

### *4. Non-priority groups*

Discretionary Housing Payments made to applicants outside the priority groups will have conditionality attached in the majority of cases, and will be for a short period.

Non-priority applicants may be expected to attend a Debt Advice appointment as part of the assessment process.

Any conditionality will be linked to increasing the applicant's income, reducing their rental liability, bidding for, or finding alternative accommodation or reducing other outgoings.

Examples of types of conditionality could include:

- Attending work related coaching with one of the Council's partners;
- Actively looking for work, with or without the support of the Council, or one of our partners;
- Registering for housing and bidding for suitable properties in each cycle;
- Making use of HomeSwapper for mutual exchanges;
- Paying rent arrears;
- Receiving and acting on debt advice to increase income, reduce outgoings and prioritising debts from an organisation that qualified to provide debt advice;
- Engaging and acting on advice from specialist support services.

The intention of any conditionality is to assist applicants to improve their situation and reduce their reliance on Discretionary Housing Payments; it is not a punitive measure.

When making a repeat application, the applicant must have met the conditions applied to their previous award, and be able to set out what actions they have undertaken as a result of that support, and explain their next steps in order to reduce their reliance on Discretionary Housing Payment awards.

Such applications may require an interview with a member of Reading Borough Council's Debt Advice Team who will also consider the circumstances of each individual case before any further award can be made.

## ***5. Criteria for an award***

Before a Discretionary Housing Payment can be considered, the applicant must:

- Be receiving Housing Benefit or the Housing Costs Element of Universal Credit for the period assistance is being applied for; and
- Complete a Discretionary Housing Payment application (including income and expenditure details); and

- Have a shortfall between the amount of Housing Benefit or Housing Costs Element of Universal Credit and their housing costs; and
- Be considered to need additional help with their housing costs; and
- Must demonstrate that they require additional financial assistance under this scheme, providing any supplementary information, including medical evidence, where applicable, to support their application; and
- Explain what other options they have considered to try and meet the shortfall in their housing costs, such as:
  - a) Receiving Debt Advice;
  - b) Reducing non-essential expenditure;
  - c) Ensuring all eligible welfare benefits have been claimed;
  - d) Increasing their hours of work;
  - e) Receiving a contribution from other adults living in the property;
  - f) Renegotiating their rent with their landlord;
  - g) Moving to cheaper suitable alternative accommodation;

When reapplying for a Discretionary Housing Payment after conditions have been set, the claimant must provide details/evidence that conditions have been met within the specified timescale. Failure to do so will mean the application is unsuccessful.

## *6. Examples where Discretionary Housing Payments will be considered*

- To support foster carers who are deemed to require additional help due to foster children not being recognised within their Housing Benefit assessment or Housing Costs element of Universal Credit;
- To support young people leaving Local Authority care;
- Where a disabled person's accommodation has been substantially adapted to meet their needs and where they are deemed to require additional financial assistance to meet their housing costs (this could also include instances where an additional bedroom is used to store medical equipment, such as a dialysis machine);
- To support people who on medical grounds are required to have an additional bedroom within their property for a disabled member of their household, which is not recognised within the Housing Benefit scheme or Housing Costs Element of Universal Credit and who face higher housing costs;
- To support households with disabled children who require overnight carer;
- people who are affected by the Benefit Cap;

- To support people who have a reduction in their Housing Benefit or Housing Costs Element of Universal Credit, due to the social housing under-occupation rules and who are deemed to be experiencing exceptional circumstances;
- Where someone in the household is expecting a baby within 6 months, resulting in the need for larger accommodation, (including those persons currently in shared accommodation or subject to an under-occupation reduction);
- To support ex-homeless applicants settle in the community;
- Restrictions in Housing Benefit or the Housing Costs Element of Universal Credit due to Local Housing Allowance rates, where a person's circumstances are considered to be exceptional;
- Families with a child temporarily in care who is expected to return home;
- Circumstances where a person's move away from an area could jeopardise their employment;
- To cover a rent shortfall to prevent a family from becoming homeless, or while the Council explores alternative housing options;
- In circumstances where a person has an unavoidable rent liability on two homes, where Housing Benefit or the Housing Costs Element of Universal Credit cannot be paid on both.

## ***7. Examples where Discretionary Housing Payments cannot be considered***

- Paying ineligible service or support charges;
- Paying increases in rent due to outstanding rent arrears;
- Shortfalls caused by sanctions and/or reductions in benefits;
- Where a person does not qualify for any Housing Benefit or the Housing Costs Element of Universal Credit;
- Shortfalls caused by Housing Benefit overpayment recovery;
- Shortfalls caused by overpayment recovery from a Universal Credit award;

## ***8. Rent in advance, deposits and removal costs***

The Discretionary Housing Payment budget is insufficient to cover every applicants ongoing rent shortfall. In order to provide long term solutions priority will be given to applicants who are moving to more affordable accommodation where no other funding is available.

Where the applicant's current accommodation is unaffordable, a decision will be made if it would be more cost effective to provide financial assistance to help them move to more affordable accommodation, instead of providing short term financial assistance to cover any shortfall in rent.

When considering applications for rent in advance, deposits or removal costs the affordability of the new accommodation will be considered, and any deposit or rent in advance owed to the applicant from a previous property will be taken into account.

Rent in advance and deposits will normally be paid to the landlord.

## *9. Assessment of applications*

When making a decision on whether to award a Discretionary Housing Payment, we will take into account the following objectives:

- The reasons why the applicant's circumstances should be considered as being exceptional;
  - The size of the shortfall between the rent and Housing Benefit or Housing Costs Element of Universal Credit, and the reasons for it;
  - The length of Discretionary Housing Payment award being applied for;
  - The financial impact of any special needs, health or social problems the applicant or their family have;
  - What impact not awarding a Discretionary Housing Payment is likely to have on the Council's finances and services (especially homelessness);
  - The amount of money remaining in the Discretionary Housing Payment budget;
  - The extent to which the applicant has met previous conditions;
- The impact of any actions that the applicant has taken to contribute towards the difficulties they are facing.

When calculating income, Attendance Allowance, Disability Living Allowance (both care and mobility components) and Personal Independent Payments (daily living and mobility) will be disregarded.

## *10. Procedure for making a Discretionary Housing Payment award*

- Each request for Discretionary Housing Payments will be considered on an individual basis;

- Consideration will be given to the remaining Discretionary Housing Payment budget, and the extent that financial assistance can help overcome the client's difficulties;
- Average essential expenditure figures will be used when considering exceptional financial hardship;
- Entitlement to Housing Benefit or the Housing Costs Element of Universal Credit will be checked before awarding a Discretionary Housing Payment;
- A Discretionary Housing Payment will not be awarded until outstanding assessments of Housing Benefit or Housing Costs Element of Universal Credit have been completed;
- Discretionary Housing Payments will not be paid while entitlement to Housing Benefit or Housing Costs Element of Universal Credit is suspended;
- The start date of a Discretionary Housing Payment will be the Monday following the application being received and not back dated, unless there are continuous exceptional circumstances;
- The decision-maker will signpost applicants to other internal departments of the Council, such as Housing Advice or Social Services or to other external agencies if it is considered that this would help;
- A decision will be made within 10 working days of receiving the Discretionary Housing Payment application, along with any supporting evidence;
- All decisions will be notified in writing and will include information on how to request a review;
- Discretionary Housing Payments will be awarded for fixed period of time according to the individual circumstances of each case;
- Longer term Discretionary Housing Payment awards will end at the end of each financial year;
- The amount of the award and the period it covers will be decided by Reading Borough Council;
- When a Discretionary Housing Payment ends, the applicant will have to reapply by completing a new application;
- A repeat Discretionary Housing Payment application will be considered afresh, and not automatically re-awarded;
- Where appropriate the applicant will be expected to provide evidence that they have looked for alternative accommodation, sought advice or tried to increase their income;

- A Discretionary Housing Payment may be refused if the applicant has not followed instructions or advice. For example, contact and work with their Housing Officer, actively look for less expensive or smaller accommodation or seek employment;
- Where the Discretionary Housing Payment budget is exhausted prior to the end of the financial year 2018/19, it will not be possible for us to award any further payments under this policy even where an applicant meets the qualifying criteria;
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### *11. Who can claim Discretionary Housing Payments?*

In most cases the person claiming Housing Benefit or the Housing Costs Element of Universal Credit will make the application for Discretionary Housing Payments. However, we will also accept applications from someone acting on behalf of the person concerned, such as an appointee or advocate if the applicant is vulnerable and requires support or they have requested someone to act on their behalf.

In all cases the applicant must provide the information requested on the Discretionary Housing Payment application form which includes income and expenditure details, and an explanation of the applications situation.

### *12. How to claim Discretionary Housing Payments*

Discretionary Housing Payments can be claimed by:

- Contacting Reading Borough Council's Customer Services Team on 0118 937 3707 or by visiting customer services on the ground floor of the Civic Centre, or;
- Completing the online application form at [www.reading.gov.uk](http://www.reading.gov.uk) under 'Benefits and assistance' then 'Housing Benefit and Council Tax Support'.

### *13. Who we can pay the Discretionary Housing Payments to*

Discretionary Housing Payments will generally be paid directly to the person claiming the Housing Benefit or the Housing Costs Element of Universal Credit, or the landlord/company their Housing Benefit or Housing Costs Element of Universal Credit is paid to.

Discretionary Housing Payment for Council tenants will be credited directly to their rent account.

#### *14. When does the application have to be made?*

There are no set rules regarding when a Discretionary Housing Payment application can be made. An application can only be considered when Housing Benefit or the Housing Costs Element of Universal Credit is in payment.

Discretionary Housing Payment applications should be made as soon as the need arises as backdated payments will only be awarded in exceptional circumstances.

A Discretionary Housing Payment award will end if a claimant migrates from Housing Benefit to Universal Credit, a new Discretionary Housing Payment application will be required from the date Universal Credit Housing Costs Element was applied for.

#### *15. Discretionary Housing Payment disputes*

Where the applicant is dissatisfied with a decision they will need to write to the Entitlement and Assessment Team within one month of the date of notification and request a stage one review of the decision.

The letter must state why they disagree with the decision made and, if necessary, provide reasonable evidence.

A different Officer will consider the request and any new evidence or information within a month, and request additional information or evidence before making a decision.

Where additional information or evidence is not provided, the review will be unsuccessful.

Once the decision has been reviewed a letter will be sent advising whether the original decision has been revised or the grounds why the review was unsuccessful.

If the applicant is dissatisfied with the outcome of the stage one review, they will need to write to the Entitlement and Assessment Team within one month of the stage one decision notification to request a stage two review.

The letter must state why they still disagree with the decision made and, if necessary, provide reasonable evidence.

A review panel formed by Council representatives will consider the stage two review request, and any new evidence or information and make a final decision within a month regarding the person's application for Discretionary Housing Payments.

Once the review panel has considered the stage two review a letter will be sent advising whether the decision has been revised or the grounds why the review was unsuccessful. This will be the final stage of the dispute process.

There is no right of appeal to a Social Security Tribunal against the Council's decision to disallow an application for Discretionary Housing Payments. The route of judicial review is available, and the local government ombudsman if a person considers there to be maladministration.

## *16. Change of Circumstances*

For the purposes of a Discretionary Housing Payment award, a person will still be under a duty to notify the Entitlement and Assessment Team of all relevant changes in their circumstances, in line with the same reporting requirements they have with their Housing Benefit claim or Universal Credit claim.

Our benefit notifications will also outline specific changes of circumstances that a person will need to report, since this may affect their Discretionary Housing Payment award or the period for which it is granted.

The Council may revise a Discretionary Housing Payment award if the applicant's circumstances change.

## *17. When we will stop paying Discretionary Housing Payments*

We will stop paying Discretionary Housing Payments when:

- it is deemed that a person no longer requires Discretionary Housing Payments following an in-year change in their circumstances; or
- Discretionary Housing Payments are paid due to an official error; or
- The Council decides that a person has misrepresented their circumstances or failed to disclose a relevant material fact, in relation to their application for Discretionary Housing Payments; or
- Entitlement to Housing Benefit ends or housing costs element within Universal Credit.

## ***18. Overpaid Discretionary Housing Payments***

The Council will decide if it is appropriate to recover an overpayment of Discretionary Housing Payment, and will make every effort to minimise overpayments of Discretionary Housing Payment.

Overpaid Discretionary Housing Payments will be recovered where it is held that the applicant, or a person acting on their behalf, has misrepresented their circumstances or where they have failed to disclose a relevant material fact.

We may also seek to recover overpaid Discretionary Housing Payments if we establish that payments have been made as a result of an error made when the claim was first determined.

Where it is decided to recover an overpaid Discretionary Housing Payment the Council will issue an invoice to the person that received the Discretionary Housing Payment. The Council will consider reasonable repayment plans where appropriate.

A written explanation of how the overpayment occurred, and the periods and amounts to which it relates will be sent accordingly. Discretionary Housing Payment overpayments will not be recovered from payments of Housing Benefit or the Housing Element of Universal Credit, but may be recovered from any future Discretionary Housing Payment awards.

Where the applicant disagrees with a decision to recover an overpayment they will need to follow the Discretionary Housing Payment dispute process above.

## ***19. Policy review***

This policy will be reviewed annually, or in response to any legislative changes, welfare reform or other factors that impact on its effectiveness.

## ***20. Governing legislation***

Discretionary Financial Assistance regulations (S.I.2001/1167) as amended by the Council Tax Benefit Abolition (Consequential Provisions) Regulations 2013 (S.I. 2013/458), which came into force on 1 April 2013.

Article 7 of the Discretionary Housing Payment (Grants) Order 2001 (S.I. 2001/2340).

Classification: UNCLASSIFIED

Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013 (S.I. 2013/630), which came into force on 29 April 2013. The Discretionary Financial Assistance regulations as amended