

Sunderland City Council

Discretionary Housing Payments Policy

Background

Local authorities have a statutory power to grant discretionary housing payments (DHP) to provide further financial assistance towards housing costs for applicants who are in receipt of a qualifying benefit.

The legislation governing DHP is contained in the Discretionary Financial Assistance Regulations 2001 (SI 2001/1167), as amended.

The scheme is purely discretionary and applicants do not have a statutory right to receive a payment. The local authority's discretion is very broad but decisions must be made in accordance with the ordinary principles of good decision making and the authority must act fairly, reasonably and consistently, but with flexibility to ensure that individual circumstances are properly taken into account.

The amount that can be paid out as DHP by an authority in any year is limited by the government, by virtue of Article 7 of the Discretionary Housing Payment (Grants) Order 2001.

To ensure fairness, reasonableness and consistency in the determination of claims for this limited resource, it is important for the local authority to adopt a policy which sets out the criteria that need to be met to receive a DHP award, but which at the same time allows for flexibility in decision making in order to cater for the circumstances of each particular case.

Administration of Sunderland City Council's DHP scheme will be undertaken by the Executive Director of People Services ("People Services") in accordance with this DHP Policy.

Each case will be considered on its own merits and decisions will be made in accordance with the provisions of this policy unless it is considered that there are exceptional circumstances to justify a departure from the same.

Notwithstanding the above, no claim for DHP will be approved by the Council in any financial year if to do so would cause the Council to exceed the limit on payments imposed under the DHP (Grants) Order 2001 for the financial year in question

Statement of Objectives

1. In making awards of DHP, the Council will seek to
 - a. Alleviate poverty;
 - b. Encourage and sustain Sunderland residents in employment;
 - c. Safeguard Sunderland residents in their homes;
 - d. Help those who are trying to help themselves;
 - e. Keep families together;
 - f. Support the vulnerable in the community;
 - g. Help customers through personal crises and difficult events.
2. The awarding of DHP is intended to provide short term financial support for the majority of customers, in order to provide them with the time they require to deal with transition and/or make changes to their circumstances.

Criteria for Awards

1. The applicant must be entitled to Housing Benefit (HB) or Universal Credit (UC) that includes a housing element towards rental liability.
2. Applications must be made in writing in accordance with the procedure specified by People Services.
3. The applicant must provide such information relating to income/benefits, capital/savings and expenditure as may be required by People Services in order that a simple financial assessment can be undertaken. The types of income/assets and expenditure to be taken into account in carrying out a financial assessment are set out in Appendix 1, with levels of allowable expenditure and an allowable excess to be determined by People Services and reviewed on an annual basis.
4. The applicant must provide, within such time period as may be specified, any further information or evidence reasonably requested by People Services to enable a financial assessment to be undertaken.
5. Financial Assessment must demonstrate that the applicant is unable to afford their housing costs without further financial assistance.
6. The DHP requested must normally be required:
 - a. To help secure and move to alternative accommodation;
 - b. To help with short-term rental costs until the applicant is able to secure and move to alternative accommodation;
 - c. To help with short-term rental costs while the applicant seeks employment.
 - d. To help with on-going rental costs for a disabled person in adapted accommodation;
 - e. To help with short-term rental costs while the claimant seeks to increase their hours of employment enough to become exempt from the benefit cap;

- f. To help with short-term rental costs for a foster carer;
 - g. To help with short-term rental costs for any other reason (except any reason which is ineligible under the relevant legislation).
7. Where, as a result of the financial assessment, it is determined that the applicant cannot afford to pay the shortfall in their housing costs, a full award of DHP will be made which covers the entire housing costs shortfall.
 8. Where, as a result of the financial assessment, it is determined that the applicant has excess income but cannot afford to pay the full shortfall in their housing costs, a partial award of DHP will be made whereby the level of the award is equal to the amount of housing costs shortfall less the amount of excess income.
 9. Where, as a result of the financial assessment, it is determined that the applicant has excess income and can afford to pay the shortfall in their housing costs, no DHP will be awarded.

Length of Initial Awards

1. Because they are meant to provide short-term support only, DHP awards will normally be made only for a single period of no more than 20 weeks (from date of application) and any applicants that still face a financial shortfall at the end of that period will be required to apply for a further DHP.
2. In any case where, on the date of application, an applicant has confirmed credits on their rent account which do not exceed the DHP that would be payable over 20 weeks, DHP will only be paid from the time when such credit is exhausted, for the balance of the 20 week award period still remaining. If the amount of credit exceeds the amount of DHP that would be payable, no award of DHP will be made.
3. Where an applicant's circumstances are expected to have improved before the end of the usual 20 week award period, or where any transition is likely to be successfully made within that time, an award may be made for less than 20 weeks.

Repeat Claims

1. While many customers should only require one award of DHP, some will reapply for support either when their award is due to end or at some point thereafter. The Council will regard as a Repeat Claim any further application that is made by the same customer (or their partner) at any address within Sunderland where they either currently receive DHP or have received DHP within the last year and where their circumstances or reasons for reapplying are considered to be the same as those that applied at the time of the previous DHP award. There will be a presumption that any application received within a year of a previous award or the termination of a previous award is a Repeat Claim that should be subject to assessment on that basis, unless the applicant provides information on their application form to show that their circumstances and reasons for applying are significantly different to those pertaining to the previous application/award.

2. Where a repeat claim is made, in addition to satisfying the criteria for an initial award of DHP, a customer must be able to demonstrate what they are doing to improve their housing or financial situations, or what additional barriers they face when doing so (that mean that they cannot make changes easily)

3. Repeat DHP will normally only be awarded if a customer is doing all that they can to make these improvements, or if they cannot make these changes quickly due to their other circumstances

4. If, in the absence of any barriers, the Council is of the opinion that the customer is not taking action to improve their housing or financial situations or do have suitable alternative property available then a repeat DHP application will be refused.

Reviews

1. Any applicant who is dissatisfied with a decision made in respect of a claim for DHP may request a review of that decision within one month of the date upon which they are notified of the decision.

2. Any request for review must be in writing, signed by the applicant and must state the reason for requesting a review.

3. Review of a decision will be undertaken by an officer no less senior to the original decision maker (“the Review Officer”) and who was not involved in the making of the original decision.

4. The outcome of any review will be communicated to the applicant in writing within 14 days or as soon as possible thereafter. Where the review does not give rise to the outcome desired by the applicant, reasons for the outcome of the review will be given.

5. If the applicant remains unsatisfied with the decision upon review, they may request a further review within one month of receiving notice of the outcome of the first review. The further review will be undertaken by a more senior manager or by a manager's panel.

6. The outcome of the further review will be communicated to the applicant in writing within one month or as soon as possible thereafter. Where the review does not give rise to the outcome desired by the applicant, reasons for the outcome of the further review will be given

DHP Policy - Appendix 1 Assessable Income/ Benefits, Savings and Expenditure

Income / Benefits

- The following income / benefits should be fully taken into account for the Financial Assessment calculation (This list is intended as a guide and is not exhaustive):
 - Annuities
 - Bereavement Allowance
 - Carers Allowance
 - Cash in Lieu of Coal
 - Charitable or voluntary payments
 - Child Benefit
 - Child Tax Credit Christmas Bonus (paid with many state benefits)
 - Employment & Support Allowance
 - Net Earnings (gross wages less tax, NI and 50% of any pension contributions)
 - Guarantee Credit element of Pension Credit (excluding mortgage interest / ground rent costs paid by Department for Works & Pension (DWP))
 - Incapacity Benefit
 - Income Support
 - Income from Investment Bonds with or without life assurance
 - Industrial Injuries Disablement Benefit
 - Jobseekers Allowance
 - Maintenance Payments from an ex-partner
 - Maintenance Payments in respect of Non-Dependents
 - Maternity Allowance
 - Occupational Pension
 - Rental Income
 - Retirement Pension
 - Retirement Allowance /Reduced Earnings Allowance
 - Severe Disablement Allowance
 - Trust Fund income where the beneficiary has absolute entitlement to that income only (capital asset is fully disregarded)
 - Universal Credit (excluding Housing costs element)
 - War Disablement Pension / Armed Forces Compensation Scheme Payments
 - Working Tax Credit

- The following income / benefits should be disregarded for the Financial Assessment calculation (This list will be reviewed and updated where required)
 - Armed Forces Independence Payments and Mobility Supplement
 - Constant Attendance Allowance (and any Exceptionally Severe Disablement Allowance paid to customers receiving CAA)
 - Disability Living Allowance Care and Mobility Components
 - Personal Independence Payment Daily Living or Mobility Components
 - Any Direct Payment / Personal Budget received by the customer from the council to help them meet and pay for their agreed social care needs / outcomes

Savings / Capital

- The following savings/capital should be fully taken into account for the Financial Assessment calculation (This list is intended as a guide and is not exhaustive):
 - Bank accounts
 - Building Society accounts
 - Capital held by the Court of Protection or Deputy appointed by a court
 - Cash
 - Income Bonds
 - Investment Bonds without life assurance
 - ISA's
 - Monies owed to the customer where these are available to the customer
 - The value of the customers Rent Deposit / Bond may be disregarded however if the customer is intending to use that money for the same purpose (i.e. to secure their new property)
 - National Savings Certificates
 - Personal Injury Compensation where the court has specified that the payments are to cover the cost of providing care, unless placed in a personal injury trust or administered by a court, then relevant disregards would apply
 - Premium Bonds
 - Properties and Land other than main residence
 - Stock and Shares less 10% selling fees
 - Trust Funds where the beneficiary has absolute entitlement to the capital (monies can be called upon at any time and transferred to the beneficiary)*
 - Trust Fund income should be taken into account as capital where the beneficiary absolute entitlement to both the capital and the income
 - Trust Fund discretionary payments from Trustees where the beneficiary does not have absolute entitlement to the capital or income
- * Guidance on trust treatment can be provided if required by the Social Care Financial Assessment Team
- The following will be disregarded as savings/capital for the Financial Assessment calculation (This list is intended as a guide and is not exhaustive)
 - Any capital which is treated as income (s u c h as lump sum frequent annuity payments, or capital payments that are released in instalments
 - Any ex gratia payments made to former Far Eastern prisoners of war
 - Any regular income (whether wages or benefits payable for that month- In respect of that month) and providing that the persons statements etc. show that this income is spent each month on meeting their normal day to day expenses / outgoings
 - Any payments in kind from a charity
 - Any compensation payments made to anyone suffering from Creutzfeldt-Jacob disease
 - Capital derived from an award of damages for personal injury and which is administered by a court
 - Credits on a Customers Rent Account (however the credit will be taken

into account and may then either delay the start date of a DHP –or remove entitlement entirely –if the credit is worth more than the value of the 20 week DHP payment)

- Payment of arrears for Social Security benefits should be disregarded for 52 weeks
 - Payments made under the Vaccine Damage Payment scheme
 - Social Fund payment
 - Student loans
 - Surrender value of any life insurance policy or annuity
 - Capital unable to be accessed from the impending sale of a property
- In the case of a Trust Funds where the beneficiary receives income from the trust and has absolute entitlement to that income and not the capital anyone such as a son, daughter or financial representative are named on a customer's account, then a check needs to be made to establish if this is for signatory purposes only or genuinely held joint capital (evidence will be required).

Expenditure

- The following expenditure will be allowed for the Financial Assessment calculation, subject to the maximum amounts to be prescribed by People Services from time to time. (This list is intended as a guide and is not exhaustive):
 - Gas/electricity
 - Water rates
 - Council tax
 - Food
 - Mobile phone
 - Landline
 - Broadband
 - TV license
 - Clothing
 - Car/petrol/taxis, Public Transport (less any offsets against disregarded benefits i.e. DLA or PIP Mobility)
 - Contents insurance
 - Priority debt repayments
 - Non-priority debt repayments
 - Prescriptions / other medication (less any offsets against disregarded benefits i.e. DLA or PIP Care)
 - School meals
 - Non-rebate able service charges
 - Private domestic help/personal care (less any offsets against disregarded benefits . i.e. DLA or PIP Care)
 - After school clubs (in cases where parents work)
 - Nappies
 - Subscriptions/membership fees required for work
 - Life insurance
- An allowable excess will be included in each Financial Assessment in order to

provide a buffer zone and reflect the fact that minor items of expenditure and one off/irregular item cannot always be accounted for. The following maximum sums will be allowed, subject to periodic review by People Services:

- £15 Single Person
- £20 Couple
- £30 Family (single parent or couple)

- The following expenditure will not be allowed in the Financial Assessment calculation. (The list is intended as a guide and is not exhaustive):
 - Window cleaning
 - Gym membership
 - Swimming lessons
 - Newspapers/subscriptions
 - Personal Budget Contribution – the financially assessed amount that the person should already contribute, taking account of net rent / council tax payments (after HB/CTS)
 - Garden maintenance/handyman services
 - Social Allowances/cigarettes/alcohol (expenditure included within customer excess incomes above)
 - Satellite – expenditure included within customer excess incomes