DHP

Strategy Guide 2019/2020

The DHP scheme serves 3 main purposes which should form the basis for all decision making. These are

1. To avoid hardship. (Including where the purpose of the application is to help facilitate a move to cheaper accommodation).
2. To help sustain a tenancy.
3. To improve residents prospects and quality of life

If an application will not fulfil at least two of these aims it is likely the DHP application will be refused.

General Considerations

The considerations applied in the assessment of DHP may include:

1. Establishing the shortfall between HB/UCHC and the rent charged. The reason for the shortfall will also be pertinent.
2. Whether the resident is able to afford to pay part of the shortfall, see point 5) and if so checking the level of arrears and the amount (if any) the resident is paying
3. The steps the tenant could reasonably take to help alleviate hardship, such as looking for employment, increasing earnings, looking for cheaper suitable alternative accommodation and checking what the tenant is doing to facilitate this.
4. Whether a one-off award in respect of a deposit, rent in advance or clearance of rent arrears facilitate a move to suitable cheaper accommodation. (Here it should be noted that although a DHP cannot be awarded for the sole purpose of reducing rent arrears, a retrospective award to cover the shortfall between HB and rent can be considered on “hardship” grounds if the shortfall is that main cause and the resident was unable to move to cheaper accommodation due arrears of rent).
5. Gathering details of the tenant’s expenditure to ascertain whether there are any budgeting issues and if so, provide or signpost for advice.
6. Determining the level of DHP payable and assessing the length of time a DHP is likely to be required in order to ascertain whether the award will be sustainable in terms of the available funding.
7. Considering whether the tenant/partner may be eligible for any other benefits and if so, provide advice and signpost/refer for help in making a claim. (Liaison with Advice Agencies and the Tackling Poverty Team should be considered).
8. If it is decided a DHP is appropriate, use the criteria set out in this strategy to determine the amount and length of the award.
9. If the award is conditional, notify the tenant of the conditions (i.e. what he/she is expected to do to reduce dependency on DHP).
10. For Benefit Cap cases in receipt of disability benefits specifically ask if the resident has an outstanding claim for PIP and if so, only award DHP on the proviso that if PIP is awarded retrospectively we will recover overpaid DHP from the increased HB awarded. (This will need to be incorporated in the DHP award notification).

The application of the general considerations set out above may vary from one application to another depending on the reason for the shortfall in HB/UC and the resident’s circumstances.

Most DHP applications are due to the reductions to Housing Benefit/UCHC caused by the welfare reform programme and guidance specific to this is set out below:

*Benefit Cap: New Claims from Residents of Temporary Homeless Accommodation.*

The rent charged in respect of temporary homeless accommodation must be affordable and it is unlikely that the council will be able to evict a tenant due to rent arrears where the rent is not considered to be affordable.

In view of this there is likely to be provision within the temporary accommodation budget to write off arrears in respect of rent deemed to be unaffordable.

Consequently in HB Benefit Cap cases we need to consider:

* How much the tenant could afford to contribute towards the rent.
* What action has been taken to collect the rent.
* Whether Homeless Services are prepared to write off any the rent as unaffordable.
* Whether a DHP award is likely to facilitate a move to cheaper suitable alternative accommodation
* How long the tenant is likely to require a DHP

The answers should inform whether a DHP award is appropriate, the level of DHP required, the likely duration of the award and whether such an award is sustainable in terms of the available DHP budget.

The number of UC Benefit Cap cases for tenants in temporary homeless accommodation has decreased since11 April 2018 as new claimants from this date are only be eligible for UC Living Costs and consequently will need to claim HB in respect of their rent.

For any of these tenants who remain on UCHC the level of rent arrears and tenancy sustainability are unlikely to be major factors in the DHP decision making process as presumably Homeless Services will have secured a payment (Managed Payment To Landlord) to cover the full eligible rent. However, this means the tenant’s UC living costs will reduce to facilitate the full MPTL and therefore in these cases the DHP decision should be primarily based on:

* Financial hardship and
* Sustainability in terms of the available funding
* How much should be awarded and the likely lengthy of any award.

In UC Benefit Cap cases where a MPTL is in place compelling consideration should be given to paying any DHP award in respect of any period covered by the MPTL direct to the tenant. This is because the MPTL will cover the full rent and as such will result in a decrease in the amount UC living costs paid the residents.

*Benefit Cap: Residents of Temporary Homeless Accommodation Where DHP was Previously Awarded.*

The general considerations and those set out in this strategy and the council’s DHP Policy should be applied for new temporary homeless . However, here the amount and duration of any previous award will be particularly relevant factor in determining whether a further award is sustainable. (See also the advice regarding awards that expire at the end of the financial year, below).

Benefit Cap: Other Claims

Tenants who do not occupy temporary accommodation are unlikely to have their rent reduced or arrears written off as unaffordable and therefore the level of rent arrears is likely to be a relevant factor when determining sustainability.

Furthermore the reasons the tenant needs to remain in their current accommodation or general location will be a relevant consideration, (although this is likely to be more pertinent for residents of private rented accommodation than for those residing in social housing).

Other than this, the general considerations should be applied apply together with those set out above in respect of residents in Temporary Homeless accommodation.

Bedroom Tax

In addition to the general considerations set out above we also need to consider:

* Why the resident needs to live in their current accommodation.
* Is there opportunity to move to smaller accommodation and if so, what is the tenant doing to accomplish this.
* If the tenant is getting the Daily Living element of PIP ask:

(i). If any non-resident stays overnight on a regular basis to provide care or

(ii). If the PIP recipient is part of a couple whether they are unable to share a room due to the disability and if so allow an additional bedroom in the assessment of HB.

*Universal Credit*

The main differences between UC and HB in terms of DHP considerations are:

* Unless a tenant gets maximum UC or is affected by LHA cap or Bedroom tax it will be difficult work out the shortfall between the Housing Cost element and the rent. Therefore in these cases:
1. Work out the percentage difference between full UC and the amount awarded.
2. Subtract the same percentage from the weekly eligible rent.
3. Use the result as our maximum weekly DHP figure.
4. Decide how much the tenant could afford to contribute towards the rent taking into account the general considerations set out above and reduce the maximum UC accordingly.
* In Benefit cap cases where there is a managed payment to Landlord we will need to consider paying any DHP to the tenant on hardship grounds.
* UC DHP is applied differently on Northgate and therefore all Officers dealing with DHPs will need to be aware of how to award a DHP for recipients of UC.

*Non Dependent Deductions*

As the rationale for non dependant deductions is based on the principle that adults in the household are expected to contribute towards the rent, a DHP to cover non dependant deductions is unlikely to succeed unless there are valid reasons why the non dep is unable to contribute towards the rent.

*All other Claims*

Apply the general consideration together with any other criteria as may be deemed relevant on a case by case basis.

*DHP Awards which Expire at the end of the Financial Year*

DHP funding is set and allocated in respect of each financial and Local Authorities are not permitted to use the current years fund to make an award in respect of the next financial year, a relatively high number of DHP awards will expire on 31 March.

In previous years we have insisted that these residents must re-apply for DHP from 1 April.

However, this year for the sake of expediency we will obtain a report of all DHPs that expire on 31 March and use this to consider whether to extend the award; the amount to be awarded and the length of any new award period based on the criteria set out in this document and the council’s DHP policy.

This will dispense with the need for these residents to submit a new DHP application from 1 April but bear in mind that we may need to contact them to request any further information required to make a decision.

*Recovery of DHP from Housing Benefit Credits*

There will be occasions where Housing Benefit is increased retrospectively for a period during which DHP has been awarded. In these circumstances if the new award of HB and the DHP award exceed the weekly rent, DHP has been effectively overpaid.

However, although Northgate allows us to end the DHP award retrospectively it will not recover any DHP paid to date. In these circumstances end or adjust DHP from the date of the HB increase and annotate the date the previous DHP award was paid up to and the amount overpaid.

There is no provision to recover overpaid DHP from awards of Housing Benefit.

*Anti-Poverty Strategy*

The council has now developed an anti-poverty strategy incorporating a “single view” of the resident which incorporates a holistic approach to the assessment of a resident’s need and the services and provisions available.

To help facilitate this, the council has:

* Set up an in-house team to provide welfare advice.
* Revised the local Welfare Support Scheme, (Social Fund replacement).
* Purchased software which will provide a single view of residents, gather information which can predict the risk of poverty, track applications in respect of any support provided and report on the outcomes.

The new team will continue to use the information available to ascertain the tenant’s needs and take an holistic approach to the support provided which will include applications for DHP, Local Welfare Support (Residents Support Scheme) and discretionary reductions in CT under s13A of the Local Government Finance Act 1992.

This anti-poverty provision will continue to develop throughout 2019/2020 and this is likely to impact on the DHP strategy which may need to be adapted as a consequence of the teams development

Lee Fearon