

# SHEFFIELD BENEFITS SERVICE

## Discretionary Housing Payments Policy Statement

We fully support the aims of the Discretionary Housing Payment (DHP) Scheme. This scheme, which was introduced on 2 July 2001, aims to relieve financial hardship associated with excessive housing costs. In order to do so, the Council has established a dedicated post, Discretionary Housing Payments Officer, who will work in conjunction with Senior Officers to administer the DHP scheme. The procedures that are to be followed in the administration of this scheme are outlined later in this document.

We will proactively promote the DHP scheme by working in partnership with Community, Voluntary and Statutory organisations to promote the availability and take up of DHPs. In doing so, the Council will make claim forms and literature on DHPs available to the wider community via the Council Website, Area Housing Offices, Housing Aid, Advice Centres, Registered Social Landlords, and other suitable locations across the city.

Applications for a DHP will only be considered where there the customer is entitled to Housing or Council Tax Benefit and there is a shortfall between the customer's Housing Benefit and contractual rent (less all ineligible service charges), or between a customer's Council Tax Benefit and Council Tax liability (a list of the ineligible Housing Costs is listed in the Administrative Procedures section of this document).

The customer must also demonstrate that he/she is suffering from financial hardship as a direct result of his / her housing costs. For the purpose of this scheme, housing costs include rent and Council Tax liability. A DHP can be awarded to assist in the payment of rent, Council Tax or both. However, a DHP will not be paid in respect of arrears of rent or Council Tax.

The award of a DHP cannot result in a combined payment of Housing and/or Council Tax Benefit, and the DHP, being higher than the total eligible rent or Council Tax. When making a decision on the award of a DHP, the Council has discretion as to whom, how much and for how long a DHP may be awarded. The amount awarded shall be enough to alleviate the hardship that the customer is experiencing. Hardship that arises from non-housing costs will not be taken into consideration when deciding on the award of a DHP.

All decisions are made by taking account of the individual circumstances of a customer including their needs, the needs of their family, and local rental market conditions. The decision on whether to award a DHP is dependent on the suitability of the accommodation to the circumstances of the customer.

It is not the purpose of the DHP scheme to support artificially high levels of rent.

Where a customer applies for a DHP and the rent is considered by the Rent Service to be significantly high the Council may refuse the application for a DHP on the grounds that the rent is significantly high for either the accommodation, the area or the customers personal circumstances.

When considering whether it is appropriate to award a DHP, the Council will take in to consideration a wide variety of circumstances, some of which are listed below as a guide for customers and advisers. This list is not exhaustive and other circumstances will also be considered:

- Is there any genuine risk of eviction if help with housing costs is not provided?

- What other outgoings does the customer have which make it harder for them to meet their housing costs?
- What assets does the customer have which might be used to help with their housing costs?
- Does the customer have disregarded income that might be used?
- Is it possible for the customer to negotiate a rent reduction with the landlord?
- Could the customer relocate to alternative accommodation that would incur lower Housing costs?
- Does the customer or a family member suffer from health problems that make it essential for them to remain in their current accommodation, and would it be detrimental to their condition if they were to move to other accommodation?
- Is the hardship having particular effects on individuals within the family, for instance young children?
- Are non-dependants living in the household contributing financially?
- Is there a risk of the customer being declared statutorily homeless if a payment is not made?

The Council reserves the right when awarding a DHP to advise customers to seek alternative accommodation if it feels that the customers' current accommodation is inappropriate for their needs.

When considering the circumstances of the customer it is essential that the Council obtain a breakdown of the customer's financial situation. A personal budget sheet is incorporated within the claim form for this purpose.

Debts, arrears, and fines will not be taken into consideration when assessing the customer's expenses. However, Social Fund Loan repayments will be classified as an expense, as the loan has been approved for a specific and valid purpose.

We maintain that it is reasonable to look into a customer's spending pattern to establish if any hardship can be minimised, but recognises that the customer should not be expected to reduce expenditure on essentials, such as food and fuel unless expenditure in these areas is unreasonably high.

It may be reasonable to expect the customer to reduce expenditure on non-essential items, such as mobile phones, cable television, cigarettes, entertainment and leisure activities. However, the personal circumstances of the customer will be considered when determining if this expenditure is non-essential.

For the purposes of the assessment, the Mobility Component of Disability Living Allowance will not counted as income as it is awarded specifically for help in getting around. The Care Component of Disability Living Allowance, along with all other State Benefits, will be included in the calculation of the customer's income.

The Government will determine, annually, the level of the grant to be paid to the council to cover the total spending on DHPs. We will not spend more than the Government permitted amount on this

activity. All decisions on the award of DHPs will be made on this basis. When awarding a DHP, we will inform our customers that the DHP scheme is cash limited and that future payments of DHPs are not to be relied upon. We will maintain effective monitoring systems to ensure that there is no overspend of the permitted amount.

We recognise that the scheme is subject to internal and external audit, and we will ensure that there are clear systems in place to facilitate such processes.

We undertake to review annually the policy, procedures and administration of the DHP scheme.