



## **London Borough of Bromley**

### **Discretionary Housing Payment Policy**

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# **Bromley's Discretionary Housing Payments Policy**

## **Introduction**

Discretionary Housing Payments (DHP's) are administered by the Council and provide financial assistance to help tenants meet their housing costs

DHP's may cover all or part of a shortfall in a tenant's eligible rent or provide the rent-in-advance and damage deposit a tenant may need in order to secure a tenancy. DHP's may be awarded as a one-off payment and/or a series of payments.

To qualify for a DHP, the claimant must have a rental liability, require further financial assistance with their housing costs and have been receiving Housing Benefit or Universal Credit throughout the period for which they are claiming assistance.

## **Bromley's DHP scheme**

Welfare Reform is aimed at encouraging people to move into work, increase their hours and/or move to more affordable accommodation.

Although it is hoped that many people will be able to address and resolve their difficulties without the need for a DHP, the Council recognises that DHP's have an important role to play in providing tenants with short term assistance to ease transitions and allow time to find a way to resolve their difficulties.

The overriding principles of Bromley's DHP scheme are as follows:

- All claimants will be treated fairly,
- All DHP applications will be assessed on their individual merits;
- All of the options available to the claimant (for example, reducing household expenditure, maximising income and/or moving to cheaper alternative accommodation) will be taken into account when reaching a decision on the application

## **Examples of the shortfalls that DHP's may cover**

The council is not required to spend its overall grant allocation in any particular way. It is a matter for its discretion

The types of shortfall that a DHP may cover include the following:

- Reduction in Housing Benefit/Universal Credit resulting from the Benefit Cap;
- Reduction in Housing Benefit/Universal Credit resulting from the under-occupation of social rented housing;
- Reductions in Housing Benefit or Universal Credit resulting from Local Housing Allowance restrictions, including the Shared Accommodation Rate;
- Reductions in Housing Benefit or Universal Credit resulting from non-dependant deductions and the use of income tapers

## **What DHP's cannot cover?**

For the purposes of a DHP, the following elements/costs cannot be covered

- Ineligible service charges
- Increases in rent that are due to outstanding rent arrears
- Certain sanctions and reductions in Benefit

- Assistance with Council Tax (from April 2013)

### **Objectives of this DHP policy**

The Council will consider making a DHP award to applicants who meet the qualifying criteria.

Assessing all applications on their individual merits, it will consider the extent to which the financial assistance requested will meet the objectives that include:

- Sustaining tenancies and preventing homelessness
- Keeping families together
- Supporting the vulnerable and elderly in the local community;
- Helping people who are trying to help themselves
- Encouraging and sustaining people in employment

### **Support for households affected by welfare reform**

DHP's are not generally intended to be used as a long term solution to the claimant's financial difficulties. Instead, used to provide short term assistance to ease transition and allow households time to find a way of resolving their difficulties.

All applications will be assessed on their individual merits. However, when considering applications, the Council will take into account not just the cash limitations of what remains in the DHP budget but also the extent to which a DHP can overcome temporary difficulties and, if possible, enable them to secure paid employment and/or move to alternative accommodation that they can afford

The expectation is that DHP's will be awarded where the additional assistance will have a significant effect in reducing the risk of homelessness, alleviating hardship and/or assisting with difficulties in a claimant's transition back to work.

At the discretion of the Council, conditions may be attached to a DHP award, requiring action from the claimant (for example attendance on an employment programme) and/or to encourage a behaviour change. The aim of these conditions will be to seek early resolution/improvement of the household's financial position.

Failure to comply with these conditions may affect the outcome of any future DHP application that the claimant decides to make.

### **Households affected by the Benefit Cap**

Although the Council will assess all DHP applications on their own merit, given the limited budget available priority will be given to the following groups

- Homeless households that are residing in temporary accommodation (provided by, or on behalf of LBB) and have been assessed by the Council as being vulnerable;
- Households that need to move to alternative, lower cost accommodation but are unable to do so immediately (for reasons of health, education or child protection) and the provision of short-term financial assistance will contribute to the achievement of one or more of the Council's DHP policy objectives;
- Households that need to move to alternative, lower cost accommodation but are working proactively to resolve their situation and the short-term award of a DHP will in the Authority's opinion prevent the household from becoming

homeless or delay homelessness for long enough to enable them to complete a planned move to more affordable accommodation; and

- Households that are working proactively with Job Centre Plus, LBB and/or advice providers to secure paid employment, claim Working Tax Credit and become exempt from the Benefit cap.

### **Households affected by the Social Rented Sector Size Criteria**

Although the Council will assess each DHP application on its individual merits, priority will be given to households where one or more of the following bullet points apply.

- Households that contain a person with a disability and are living in "significantly adapted" accommodation;
- Households that contain someone with a severe and persisting disability which means that they are dependent on the care and support of relatives and friends who are living in the local community and there is no suitable accommodation available, within the local area, to which they are able to transfer.
- Households whose Housing Benefit is restricted by the size criteria but that restriction will soon be lifted as a result of the claimant/partner will reach Pension Credit age, or children reaching the age where they are no longer expected to share a bedroom
- Households where the claimant/partner is expecting a baby meaning that when born the size restriction will not apply.

### **Other households requesting a DHP**

All DHP applications will be considered on their individual merits. However, the Council will give priority to applications from households for whom the Council will have a housing duty if they become homeless and households that have children and need to move to alternative, lower cost accommodation but are unable to do so immediately (for reasons of health, education or child protection)

### **Rent-in-advance, damage deposits and removals**

The DHP budget is insufficient to meet the rent shortfalls of the many tenants who will be applying for assistance. In order to provide long term solutions, the Council will help and encourage tenants to move to alternative accommodation they can afford.

Instead of providing tenants with short term assistance to enable them to maintain the rent payments on a home they will not be able to afford without a DHP, the Council may decide that it would be better to assist tenants move to somewhere they can afford. For this reason, the Council may consider making an award to cover/assist with rent in advance and/or removal costs, Before any award is made for this purpose all other funding sources (inside and outside of the Authority) will be explored.

## **Assessment of applications**

- When deciding whether or not to award a DHP, the Council will assess each application on its merits and taking into account its objectives and such things as:
  - The size of any shortfall that exists between when the claimant is receiving in housing costs (from HB or Universal credit) and their eligible housing costs, together with the reason for the shortfall;
- The financial circumstances of the household members
- Any special needs or health and social problems that the claimant and/or their family have, and what impact these have on their housing and financial situation;
- The reason why compared to other people, the circumstances of the claimant and their family should be considered "exceptional"
- The impact that not awarding a DHP is likely to have on the Council's finances and services, especially homelessness, social care, family support and health;
- Any steps the claimant has taken to reduce his/her rental liability
- Any steps taken to obtain employment or increase the level of income received
- The length of time for which a DHP is being sought
- The amount remaining in the DHP budget
- The impact that moving home and/or changing schools is likely to have on the household members
- Any other factors that the Council and/or claimant consider appropriate.

When the Council has considered the claimant's needs and circumstances, it will decide how much to award. This may be any amount below the difference between the rental liability and the housing costs received by way of Housing Benefit or Universal Credit.

The award of a DHP does not guarantee that a further award will be made at a later date, even if the claimant's circumstances remain unchanged

## **Claiming a DHP**

In most cases, the person who claims a DHP will be the person who is receiving Housing Benefit/Universal Credit, or their partner. However, the Council may also accept a claim from someone who is acting on behalf of that person if the person is vulnerable and requires support.

The Council accepts DHP claims in writing and provide an application form for that purpose; however a letter or email will also be accepted as a claim.

If the Council requires additional information and evidence to assess the claim, it will request this from the claimant in writing, electronically or verbally. The claimant must supply this information within one month of the date requested. If the claimant fails to provide the requested information on time, the Council will make a decision based on the information it already holds. More time may be allowed for some claimants if the Council thinks it reasonable to do so.

## **Making a claim in advance**

A DHP can only be considered for a period when the claimant is entitled to Housing Benefit / Universal Credit. However, claims may be made in advance where the claimant is anticipating a change in their situation, such as the introduction of the Benefit Cap.

### **Notification of decisions**

The claimant (and the landlord if the payment is direct to them) will be notified in writing, of the DHP claim.

If the claim is unsuccessful, the Council's decision letter will explain the reason for the decision and details of the right of review.

If the claim is successful, the decision letter will include the following:

- The amount awarded
- The period of the award
- To whom the DHP will be paid; and
- The claimant's duty to report any changes in circumstances

### **Change in Circumstances**

The claimant must tell the Council if their circumstances change after an application for a DHP is entered, This is made clear to claimants in the application form and decision letter. The Council may revise a DHP award if the claimant's circumstances have changed.

### **Payment arrangements**

The Council will decide whether the DHP should be paid to the tenant, landlord or a third-party.

### **Right to request a review**

DHP's are not subject to the appeals mechanisms in place for Housing Benefit or Universal Credit.

Claimants can request a review on a decision not to make an award, the level of the award, the period of the award or a decision to seek recovery of an award.

The request for a review must be entered in writing and received within one calendar month of the notification being entered. This time limit can be extended if the Council considers it reasonable to do so

The review request together with all documents related to the DHP application will be consider by officers not involved in the original decision. This decision will be final. In cases of alleged maladministration, the claimant should follow the Council's complaints procedure. If a claimant is still unhappy, they have a right to contact the Local Government Ombudsman.

## **Overpayments**

The Council will make every effort to minimise overpayments of DHP.

If an overpayment does occur, the Council will decide whether or not it is appropriate to recover it.

If recovery action is appropriate, the Council will send an invoice to the Claimant (or the person whom the DHP was made) and a written explanation of the overpayment together with the periods and amounts to which it relates.

## **Fraud**

The Council is committed to tackling and preventing fraud in all its forms.

If a claimant attempts to claim a DHP by making a false declaration or providing false evidence or statements, they may have committed an offence under The Fraud Act 2006. Where the Council suspects that fraud may have occurred, it will investigate the matter as appropriate and this may lead to criminal proceedings.

## **Publicity**

The policy will be reviewed periodically and in light of any legislative changes, trends or other factors, ensuring that funds are targeted towards those in most need.

This policy will be made available and via the Council's website: [www.bromley.gov.uk](http://www.bromley.gov.uk)