



# GWYNEDD COUNCIL

*OPERATIONAL POLICY FOR SHARING GWYNEDD'S  
DISCRETIONARY HOUSING PAYMENTS (DHP)  
ALLOCATION  
2018/19*

MARCH 2018

# DHP POLICY 2018/19:

## INTRODUCTION

1. This policy sets out an agreed approach to deciding who should get a Discretionary Housing Payment (DHP) award for 2018/19. It is designed to make discretionary decision-making more systematic, consistent and transparent. It is not intended to impose a standard solution for all claims. The exercise of discretion remains at the heart of the scheme.
2. DHPs are paid from a cash-limited budget and are intended to help people meet housing costs, usually where there is a shortfall between their Housing Benefit (or housing element of Universal Credit) and their rent.
3. It is not possible to make an award in every case where there is such a shortfall. This policy is a way of helping to decide priorities for payment when demand exceeds supply, as will usually be the case.
4. Given that DHPs will inevitably have to be targeted at those who need them most, it is of course important to check at the outset that all DHP applicants are receiving their full entitlement to HB, as it would be wasteful to award a DHP in circumstances where additional HB could be paid instead.

## KEY POLICY OBJECTIVES

5. In making decisions about priorities, there are some overall objectives:
  - To give all applicants as fair and consistent a decision as possible.
  - To make decisions that are designed to improve outcomes for people.
  - To spend the annual DHP budget and keep to a minimum any in-year changes to priorities (which may be needed to avoid overspends or underspends).
  - Generally to give greater priority to:
    - helping those who are making efforts to help themselves;
    - supporting those that have done all they can to manage their situation, and can't realistically do any more;
    - preventing negative outcomes such as homelessness which are likely to involve further hardship for the household as well as additional and avoidable costs for the Council.
  - The policy is intended to provide short term assistance whenever possible. There are no guarantees as regards future funding, and DHP payments cannot be regarded as a permanent solution to Welfare Reform cuts. There will also be an increasing number of people who will be looking for help from DHP as new measures such as the new Benefit Cap, and the freezing of allowances and LHA rates take effect. Universal Credit claimants will also have access to the fund.
  - The policy will therefore dissuade a culture of dependency on DHP payments, especially so when there are viable alternatives.

## POLICY FOR DECIDING PRIORITIES

6. In order to meet these objectives, it is insufficient to simply make awards to certain broad *categories* of people (such as lone parents and disabled people). It is necessary to define which people in these and other categories should, as a rule, have the most priority.
7. The critical factors in deciding priorities are:
  - The financial circumstances of the household;
  - The priority group that the household is in;

- The extent to which members of the household are able, and willing, to manage the situation they are in, or can't be reasonably expected to do more;
- The wider financial consequences of not making an award.

All of these factors are covered in more detail in the following paragraphs.

### **Stage 1: Financial assessment**

8. For all applications, a financial assessment is made, comparing income with expenditure. This is as simple as possible but sufficient to make a reasonable judgement. For the majority of applications all income and outgoings are considered and any capital taken into account. However, where a member of the household receives Disability Living Allowance (DLA) or Personal Independence Payment (PiP) the DLA/PiP income is excluded and some disability-related expenditure is also excluded. If there are non-dependants in the household, the income they contribute to the household is normally included in the financial assessment, though it is accepted that household expenditure on food and heating will be higher. The fundamental principle is that help should go to those who have no other means of meeting the need.
9. Therefore, the first test is whether or not a household's total commitments are equal to or exceed their income. Where DLA is in payment it is excluded from the calculation of income. All household expenditure is taken into account in calculating the household's total commitment unless DLA is in payment. In which case, expenditure on disability-related items, up to the level of the relevant DLA/PiP component, is excluded from total expenditure. Any disability-related expenditure above the level of the relevant component is included as household expenditure. If there is income available, or could be made available, sufficient to meet the shortfall in rent or other housing need, a DHP application will not normally succeed unless or until circumstances change.
10. If there is some income available, but insufficient to meet the shortfall in rent, the application for a DHP is processed and, if other criteria are met and it is decided to make an award, the available income is deducted from the award.
11. The test is slightly different in the case of lump-sum payments (e.g. rent deposits, rent in advance and removal costs). The test is in two parts:
  - a) Are there any savings that can meet the need?
  - b) If not, is income at or below expenditure, or not significantly above, and has the applicant no prospect of saving the amount needed?

### **Stage 2: Priority groups**

12. Having applied the financial assessment, the second stage is to decide the priority to be given to the particular circumstances of each application. To make the process as simple as possible, the particular circumstances are put into five groups, A-E, in descending order of priority. See Annex 1 for details of each group.

### **Stage 3: Ability to manage the situation**

13. The next stage is to look at general policy considerations. DHPs can often be most effectively used as a temporary measure whilst a household seeks a more long-term solution to the situation they are in. Where this is possible, higher priority is given to those who are actively taking steps themselves, for example those with an Local Housing Allowance shortfall looking

for cheaper accommodation, or those with spare rooms who are arranging to move or take in a lodger.

14. However, there are also some situations where a DHP may be needed for a longer period. There will be some households who cannot realistically alleviate the situation they are in by taking action themselves. For example, a household with a severely disabled member unable to work or take in a lodger, and who are already managing the household budget as effectively as possible. Such households are also given higher priority.
15. There are also households who are not currently helping themselves in the way described above but who are prepared to start doing so. In these cases, the DHP may be conditional on certain action being taken and the award may be of shorter duration.

#### **Stage 4: Avoid further cost (and hardship)**

16. DHPs can be used to help prevent further hardship such as eviction and the associated costs to the council of dealing with homelessness. The risk of losing a tenancy could arise for a number of reasons but no judgement is made about the factors giving rise to the problem. This criterion is simply about avoiding further cost and hardship.
17. However, it is unlikely to be viable to pay DHPs indefinitely in these circumstances. If a household is threatened with eviction, the situation cannot be left to continue indefinitely. A solution needs to be found, whether it is the provision of alternative accommodation or some action by the household to reduce arrears. The highest priority under this criterion is applied when there is a solution in sight.

#### **PRIORITY SETTING MATRIX**

18. In order to help with deciding priorities, a simple matrix is constructed, which combines priority groups with the policy considerations described above. Each applicant is given a baseline score based on the priority group they are in – the baseline scores are **A=12, B=9, C=6, D=3 and E=0**.
19. Additional points depend upon the extent to which the general policy considerations (stages 3 and 4 above) are met, and range from 0 to 9. The highest points (9) are awarded to those who are
  - a) actively trying to manage the situation they are in, or
  - b) can't reasonably do any more to help themselves, or
  - c) where paying a DHP avoids further cost to the council (and hardship to the applicant), particularly where a solution is possible.

If a), b) or c) above are met in part, six points are awarded and, if none of these considerations are met, no additional points are scored. Only one of the general policy considerations needs to be met to earn the highest score. No additional points are scored for meeting more than one consideration: this allows a fairly broad range of circumstances to be given a high or highest priority rating.

20. It is important not to apply the matrix rigidly in every case, *there will be individual cases that will fall outside the guidelines but which justify an award.*

## ONGOING PAYMENTS – BASELINE SCORES

### Stage 3: **Ability to manage the situation**

Policy consideration and additional points		Priority groups and total points				
		A (12)	B (9)	C (6)	D (3)	E (0)
Ability to manage the situation – doing everything possible or cannot reasonably be expected to do any more. Complies with 19 a) or b) above	9	21	18	15	12	9
Ability to manage – commitment made Complies with 19 a) or b) above in part.	6	18	15	12	9	6
Ability to manage – not doing anything (but could do) Does not comply with 19 a) or b) above	0	12	9	6	3	0

### Stage 4: **Avoid further cost (and hardship)**

Policy consideration and additional points		Priority groups and total points				
		A (12)	B (9)	C (6)	D (3)	E (0)
Avoid further cost/hardship – solution in sight Complies with 19 c) above	9	21	18	15	12	9
Avoid further cost/hardship – solution possible in time Complies with 19 c) above in part	6	18	15	12	9	6
Avoid further cost/hardship – no solution Does not comply with 19 c) above	0	12	9	6	3	0

#### Table of Scores:

21	highest priority
18	high
15	medium to high
12	medium
9	medium to low
6	low
3	lowest

- 21.** The matrix can be used to assess an application in the first place, and also as a way of helping to ensure that decisions are as consistent as possible.

**22.** When a score has been established for each application, DHP will be granted according to the following tables for 2018/19,

**Table (a)** - Current claims where DHP is already in payment in 2017/18

Calculated Score	DHP award - % of shortfall (this is the maximum – see 27(a) to (d) )	Maximum length of Award
21	75%	Up to 52 weeks
18	50%	Up to 52 weeks
15	40%	Up to 52 weeks
12	30%	Up to 52 weeks
9	20%	Up to 52 weeks
6	0	0
3	0	0

**Table (b)** – New claims where DHP is not in payment

Calculated Score	DHP award - % of shortfall (this is the maximum – see 27 (a) to (d) )	Maximum length of Award
21	100%	Up to 26 weeks, followed by 75% for up to a further 26 weeks
18	75%	Up to 26 weeks, followed by 50% for up to a further 26 weeks
15	40%	Up to 52 weeks
12	30%	Up to 52 weeks
9	20%	Up to 52 weeks
6	0	0
3	0	0

**23.** *The above method will be used to make determinations for a period of 6 months from the 1<sup>st</sup> April 2018*, and the policy will be reviewed at the end of that period.

## CONDITIONALITY

*It's not anticipated that these provisions will need to be used often, but some awards will be made on condition that the applicant takes specific actions, and payments can be granted for shorter periods than those shown in the table at 22 above.*

- 24.** Most of the highest priority awards are paid unconditionally, either because there is not likely to be any short-term change in the circumstances giving rise to the DHP, or the household is already doing everything possible to manage the situation they are in.
- 25.** All other awards are subject to at least some conditionality, designed to encourage the applicant to resolve the shortfall in rent without access to DHPs. The extent of the conditionality depends on the circumstances – in some cases it will be relatively light, but more strict in others. In many cases, conditionality will involve signposting to support and advice agencies.

## **REPEAT AWARDS/EXTENSIONS**

- 26.** An award may be extended for a short period, without the need for a new application, in certain circumstances:
- Where a request has been made by support workers for a valid reason;
  - When awaiting a change of events (e.g. house move, birth of child);
  - When further time is required to meet the conditions attached to an award.

## **PARTIAL / FULL AWARDS**

- 27.** Awards can be made for a weekly amount which will meet the shortfall between the rent and Housing Benefit payable in full. However, the Council will make partial awards in most cases due to budget restrictions, and also because there may be occasions when it will be more appropriate to make a partial award, as described in a) to d) below:
- a)** Some income is available to the household, but not enough to pay the shortfall, including situations where more income becomes available because debts are paid off.
  - b)** There is a deliberate policy to allow a household to adjust gradually to a new situation, such as the Social Size Criteria ("bedroom tax") or the Benefit Cap.
  - c)** Conditions have been attached to an award but the conditions have not been met.
  - d)** At the discretion of the Council in certain other circumstances (e.g. where there is an unreasonably high rent in private sector cases).

## **CHANGE OF CIRCUMSTANCES**

- 28.** All applicants are expected to report changes of circumstances as they would for Housing Benefit. It is particularly important that applicants notify changes in income, expenditure patterns or the composition of the household. Most notifications of a change of circumstances are related to Housing Benefit, but where a DHP is payable, they can result in the cancellation or amendment of the DHP award. This can be followed by a new application if appropriate.
- 29.** Overpayments of DHPs are generally calculated and, if recoverable, they will be recovered as sundry debts (private tenants) or via the rent account (council tenants).

## **CONCLUSION**

- 30.** This policy is not intended to restrict Gwynedd Council's discretion in making DHP decisions. In a discretionary scheme, there will always be some cases with special or unusual circumstances where a decision maker will consider a DHP award justified. The advantage of a discretionary scheme is that, whatever policy is used, such awards can and should be made in those unusual or special circumstances.
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