

Discretionary Housing Payments Policy



DISCRETIONARY HOUSING PAYMENTS POLICY

1. INTRODUCTION

This policy sets out the council's approach to the awarding of Discretionary Housing Payments (DHPs). It has been revised in the light of welfare reform changes and recent case law relating to the award of such payments. The policy will allow flexibility and consistency to be applied to the decision making process.

2. BACKGROUND

The Discretionary Financial Assistance Regulations 2001 make provision for the awarding of DHPs. The Department of Works and Pensions DHP Guidance Manual April 2014 and accompanying good practice guide set out the framework for the scheme. This framework includes the criteria which may be considered, the circumstances under which Local Authorities may consider awarding a payment and also the application process and the administration of the scheme.

This policy sets out the council's approach within these guidelines and will be applied in conjunction with the relevant legislation and guidance. This policy applies to awards to customers in receipt of Housing Benefit and Universal Credit. Any awards in relation to Council Tax Support are covered by the council's Discretionary Hardship Policy.

This policy has been agreed by the council's Executive Cabinet and will be reviewed every two years or as required in response to changes in legislation or Department of Communities and Local Government guidance.

3. PURPOSE

The purpose of the DHP scheme is to provide customers suffering financial hardship with further financial assistance towards certain housing costs.

The scheme is discretionary and each case is considered on its own merits. DHP awards are to help customers when they most need it and may be a short term or one-off payment. The level of payment may cover all or part of a shortfall in rent or assist with the cost of taking up a tenancy.

4. POLICY OBJECTIVES

In deciding when to make a DHP award, the council will consider the following objectives:

- a) Preventing homelessness
- b) Preventing families and young people from living in temporary accommodation
- c) Supporting vulnerable or elderly people in the community
- d) Encouraging and sustaining people in employment
- e) Keeping families together
- f) Supporting young people in the transition to adult life
- g) Sustaining a tenancy whilst other solutions are put in place
- h) Helping those who are taking steps to help themselves
- i) Supporting claimants affected by key welfare reforms of the benefit cap, reductions in local housing allowance and removal of the spare room subsidy in the social rented sector (including disabled people, adoptive parents and foster carers).

5. QUALIFYING CRITERIA

Each application will be dealt with individually and a decision made based on the customer's circumstances. The council may request the customer to provide information and evidence in support of an application and any decision to make a DHP.

To be considered for a DHP, applicants must fulfil the following criteria:

- a) Be in receipt of Housing Benefit or Universal Credit including the housing element (including for any backdated period)
- b) Have a liability to pay rent
- c) Require further assistance with housing costs

DHPs may be awarded for:

- a. Rent in advance
- b. Deposits
- c. Lump sum costs associated with housing
- d. Shortfall in rental liability (except ineligible housing costs)

DHPs cannot be awarded for:

- a. Ineligible service charges
- b. Increases in rent due to rent arrears
- c. To cover any sanctions or reductions in benefit
- d. Council Tax
- e. If Housing Benefit payments are suspended
- f. If applicants only receive Council Tax Support or Second Adult Rebate
- g. Shortfalls caused by housing benefit overpayment recovery

6. PRIORITY CONSIDERATIONS

Any customer who meets the qualifying criteria may apply for a DHP. However, priority will be given to those customers in any of the following circumstances:

- a. Families at risk of losing their home
- b. Where there are dependent children
- c. The applicant has been affected by the benefit cap or the size criteria in the social rented sector
- d. Where there is a threat of homelessness as a result of an emergency such as fire or flood
- e. Where support is required for those who are vulnerable due to any of the following:
 - Drug or alcohol issues
 - Mental health issues
 - Fleeing actual or threatened violence
 - Learning difficulties
 - Leaving the Armed Forces
 - As a result of having been imprisoned
 - Young people leaving care
 - Old age, disability or medical circumstances

7. OTHER FACTORS CONSIDERED

In deciding whether or not to award a DHP the council will consider the following:

- a. The shortfall between the amount of Housing Benefit in payment (or housing element of Universal Credit) and the eligible rent payable
- b. Any non-dependant deductions which DHPs can cover

- c. Any steps taken by the customer to reduce the rental liability, for example whether the customer has tried to find cheaper accommodation
- d. Whether the customer is taking long term action to help their problems in meeting housing costs
- e. Where affected by the social sector size criteria rules, whether the customer has approached their landlord requesting accommodation with fewer bedrooms, considered taking in a lodger to help with housing costs or tried to find cheaper more suitable accommodation
- f. Whether the customer made enquiries regarding the Local Housing Allowance before moving into the property and what steps they put in place to meet the shortfall
- g. Rent arrears may be paid where there is evidence that the customer is taking steps to improve their financial circumstances or move to a better situation such as alternative accommodation or into employment
- h. The financial circumstances of the customer. When considering income, disregarded income for benefit purposes can be taken into account. Expenditure above basic living requirements can affect the amount of an award. A DHP is not intended to enhance a customer's lifestyle
- i. The council will decide which income is to be taken into account when deciding if it is appropriate to award a DHP. For example, income from Disability Living Allowance will be disregarded.
- j. Access to any savings or capital held by the customer or their family or household
- k. Other financial support which has been explored such as rent deposit schemes and local emergency support
- l. The medical circumstances of the customer and members of the household
- m. Any special reasons that make it necessary for the customer or the household to live in a particular property or area
- n. Any special or exceptional circumstances declared by the customer

8. APPLICATIONS

Applications must be made by completing the council's application form.

Applications may be made in advance.

The council may require further supporting evidence and information and will place a time limit on providing it.

9. APPEALS

There are no rights of appeal regarding a DHP decision. However, a customer may request that the decision is reviewed once by the council. This request must be made within a calendar month of the original written decision notice. This review decision is final and there is no further right of appeal.

10. PERIOD OF AWARD

DHP awards are not intended to support customers indefinitely but are to provide short-term financial support to allow the alternative solutions to be found. There is no limit on the length of an award period. This will be decided on a case by case basis and will be dependent upon the customer's circumstances and the time needed to resolve the problem. Awards will only be backdated where there has been an entitlement to Housing Benefit or Universal Credit for that period.

11. CONDITIONS OF AN AWARD

The following conditions apply to the awarding of a DHP:

- a. The customer must notify the council of any change in circumstances during the period of the award. A failure to do so may result in further action being taken and may include prosecution.
- b. In many cases the council will insist that any award is conditional upon the customer undertaking debt, housing or benefit maximisation advice.

- c. The customer must take proactive steps to improve their circumstances and conditions upon which each award is made will be detailed in the award letter.

12. PAYMENT OF AWARDS

A DHP can be paid to someone other than the customer if the council considers it reasonable to do so. Payment will normally be made to the landlord where it is a one-off payment or housing benefit is paid direct to the landlord. Payment will be made by electronic bank transfer.

13. OVERPAYMENT AND WITHDRAWAL OF AWARDS

When deciding whether or not to recover an overpayment of a DHP, the council will consider the reasons for the overpayment. The council can choose to recover in full, in part, or not at all.

The council may decide to withdraw an award in some circumstances, for example where there is a change in circumstances that means that the customer no longer qualifies for a DHP.

14. FUNDING

Funding for the scheme is provided on an annual basis by the Government and is cash limited. The awarding of DHPs is subject to available funding and the Council will not make awards when this funding has been fully allocated.

15. PUBLICITY FOR THE SCHEME

The council promotes the scheme in the following ways:

- a. Advice to customers on the scheme and how it can help them
- b. Information to external organisations that give advice such as Welfare Rights
- c. Making landlords aware of the scheme
- d. Information on the council's website
- e. Through the council's Housing Options advice and personal budgeting advice