

SVPP/BCP Local Authority Benefits Service

Policy on Discretionary Housing Payments

Background

The Government introduced 'Discretionary Housing Payments' in July 2001. This enabled local authorities to provide further financial assistance to claimants with their '**housing costs**'.

The legislation that governs these payments is:

- The Discretionary Financial Assistance Regulations 2001

Criteria for a Discretionary Housing Payment

Discretionary Housing Payments (DHP) are not awards of Housing Benefit.

The Local Authority Benefits Service must be satisfied the customer is entitled to:

- Housing Benefit (HB) **or**
- Universal Credit (UC) that includes housing costs towards rental liability

and requires further financial assistance with housing costs.

A customer who is receiving Local Council Tax Support only, with no rental liability is not eligible to apply for a Discretionary Housing Payment.

What are housing costs?

DHP's can be awarded to cover shortfalls between eligible rent and the Housing Benefit/Universal Credit award. A claimant who is entitled to Housing Benefit or UC, has a rental liability, (and if claiming UC includes housing costs) has a shortfall and requires further financial assistance with housing costs, can make a claim for a Discretionary Housing Payment.

Housing costs mean eligible rent, but not ineligible service charges, such as, charges for water rates or sewerage and environmental services, increases due to rent arrears or due to sanctions and reductions in Benefits.

Housing costs also includes rent in advance, deposits and other lump sum costs associated with a housing need such as removal costs.

Following the abolition of Council Tax Benefit from April 2013, DHP's cannot be paid towards Council Tax Liability.

The main characteristics of the scheme are as follows:

- DHP's are not payments of Housing Benefit. They are free standing payments to be made at the discretion of the Local Authority Benefits Service. A claimant does not have a statutory right to a payment
- there is no right of appeal to the Tribunal Service
- whilst DHP's are not a payment of Housing Benefit the minimum amount of Housing Benefit must be in payment in the benefit week that a DHP is awarded for
or
- the customer must be entitled to Universal Credit, have a rental liability and the Universal Credit must include housing costs
- the amount that can be paid out by the Local Authority in any financial year is cash-limited by the secretary of state
- the Government provide a contribution towards the cash limited sum, which if not paid out must normally be repaid
- to make a Discretionary Housing Payment award, the Local Authority Benefits Service must be satisfied the claimant requires further financial assistance with housing costs. The Local Authority Benefits Service will establish this by comparing the claimants (household) income with their declared expenditure. The Local Authority Benefits Service considers it reasonable when considering a request for additional financial assistance towards housing costs to expect a claimant to reduce spending on non-essential expenditure.

Guidance on policy

The purpose of this policy is to specify how the Local Authority Benefits Service operates the scheme and to indicate the factors that will be considered when deciding if a DHP can be made. Each case will be treated strictly on its merits and all customers will be treated equally and fairly by those administering the scheme.

The Local Authority Benefits Service is committed to working with the local voluntary sector, social landlords, the Department for Work and Pensions, Local Authority Housing Department and other interested parties to maximise entitlement to all available state benefits and will publicise the DHP scheme in accordance with this commitment. Where the evidence provided indicates the claimant is not claiming another state benefit that they may be entitled to, the Local Authority Benefits Service will advise them to make such a claim and provide details of other agencies who may be able to help with such a claim.

DHP Policy Aims

To ensure that discretionary housing payments contribute to the Local Authorities aims and objectives: -

- for the development and promotion of social inclusion for residents
- to minimise hardship
- to support anti-poverty strategies
- to be fair and to create equality between claimants
- to award additional payments, budgeting to spend the Governments allocated funding and any additional funding provided by the Local Authority
- to provide additional financial support to those in greatest need to prevent homelessness

Statement of objectives

The Local Authority Benefits Service will consider making a payment of a DHP to all claimants who apply for a Discretionary Housing Payment and meet the criteria as specified in this policy on page 1. The Local Authority Benefits Service will treat all applications on their individual merits, and will seek through the operation of this policy to:

- safeguard residents in their homes where it would be considered unreasonable for them to find suitable, affordable, alternative accommodation
- alleviate poverty
- support vulnerable people in the community
- encourage residents to obtain and sustain employment
- help those who are trying to help themselves by helping residents to secure and maintain affordable tenancies
- help claimants through personal crises and difficult events

Financial arrangements

The Local Authority receives a Government Grant allocation for DHP's. Any amount not spent must normally be returned at the end of the year. The Local Authority can contribute to the DHP fund up to a cash limited sum.

The aim of this Policy will be to assess claims and budget to spend the *sums allocated to support eligible residents through DHP's.

Claiming a Discretionary Housing Payment

A claim for a DHP must be made on the DHP application form. Applications *should be made to the Local Authority Benefits Service.

The Local Authority Benefits Service will request any reasonable evidence necessary in support of the application. The Local Authority Benefits Service will make such requests explaining the time limits involved. If the claimant is unable to or does not provide the required evidence, the Local Authority Benefits Service will still consider the application and will in any event consider available evidence, including evidence already held on the Housing Benefit records.

The Local Authority Benefits Service will verify any information or evidence provided by the claimant if appropriate.

Awarding a Discretionary Housing Payment (DHP)

In deciding whether to award a DHP, the Local Authority Benefits Service will take into account:

- on receipt of a fully completed DHP claim form whether the claimant meets the qualifying criteria on Page 1
- whether the Landlord is charging a reasonable rent for the accommodation occupied
- whether the customer is under-occupying their property
- the shortfall between Housing Benefit or Universal Credit and the claimant's eligible liability
- the steps taken by the claimant to reduce their rental liability
- whether the Benefit Cap calculation has been applied
- whether a reduction in Housing Benefit or UC for under-occupation in the Social Rented Sector has been applied
- the financial and medical circumstances (including ill health and disabilities) of the claimant, their partner and any dependants and any other occupants of the claimant's household as detailed on their DHP form and/or held by the Local Authority Benefits Service for the calculation of Housing Benefit
- the income and expenditure of the claimant's household
- increases in essential work-related expenditure due to the claimant moving home because of the reduction in Local Housing Allowance (LHA) rates
- any savings or capital held by the claimant's household
- the exceptional nature of the claimant and their household's circumstances
- Non-dependant income from other adults in your home
- the possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation
- the steps taken and ability for the claimant to improve their financial circumstances for example through budgeting advice and support

- if a DHP was previously granted for a rent deposit/rent advance to assist the claimant to secure an affordable tenancy, what has changed since the affordability check was completed
- any other special circumstances brought to the attention of the Local Authority Benefits Service e.g. fleeing domestic violence

The Local Authority Benefits Service will decide how much to award based on all the circumstances. This may be an amount below the difference between the eligible rental liability and the Housing Benefit/UC award. A DHP award does not guarantee that a further DHP award will be made even if the claimant's circumstances have not changed. The Local Authority Benefits Service would expect that if a repeat award request is made, the claimant had followed the advice provided when the first award was made, for example to secure budgeting advice and support, taking steps to reduce non-essential expenditure, etc.

In deciding a DHP claim where the customer has a reduction in their Housing Benefit due to the Benefit Cap or had the Benefit Cap applied to their UC, the Local Authority Benefits Service will give consideration to assisting the customer for a period, to assist them in managing the transition whilst they make the necessary changes to adapt to the application of the Benefit Cap.

In deciding a DHP claim where a customer has their Housing Benefit or UC reduced because of the Size Criteria in the Social Rented Sector, the Local Authority Benefits Service will give consideration to assisting customers who are unlikely to be able to meet the shortfall.

The Local Authority Benefits Service will also consider customers who are looking to move to more affordable, suitable accommodation and need additional financial support in the short-term to enable this move to take place. This could be either in the form of a fixed term award or rent in advance, deposit or other lump sum costs associated with a housing need such as removal costs.

It is expected that where a customer is affected by the Welfare Reforms they will seek advice from DWP, Citizens Advice Bureau, their landlord and the Housing Department to assist them in seeking employment, budgeting advice and give consideration to moving to suitable affordable accommodation. It is expected that through this the customer will have a plan to address their individual circumstances.

Period of award

In all cases, the Local Authority Benefits Service will decide the length of time for which a DHP will be awarded taking into account the evidence supplied and the facts known.

The start date of an award will normally be the Monday after the claim for a DHP is received, but there will be exceptions to reflect the individual circumstances of the claimant.

The period of the award, where possible, will reflect the individual circumstances of the claimant.

The Local Authority Benefits Service will consider any reasonable requests for backdating an award of a DHP, however, an award can only be considered for a period where the linked HB or UC is payable.

Changes in circumstances

Claimants who have been awarded a Discretionary Housing Payment have a duty to notify the Local Authority Benefits Service if their circumstances change. This same duty applies to claimants receiving Housing Benefit. The Benefits Officers may need to revise an award of a DHP where the claimant's circumstances have changed.

Claimants who have been awarded a Discretionary Housing Payment who are in receipt of Universal Credit have a duty to notify DWP and the Local Authority Benefits Service if their circumstances change.

How payments are to be made

As DHP's are not part of the Housing Benefit scheme, payments will be made in addition to payments of Housing Benefit and will not form part of it. Payments of DHP will however be made via the Housing Benefits system, and any payments will be added to Housing Benefit payments and paid to the same recipient as the Housing Benefit payment i.e. if Housing Benefit is paid to the landlord, then the DHP will normally also be paid to the landlord. Payment frequency will also be in line with how the Housing Benefit is paid in accordance with the Housing Benefit legislation.

If Universal Credit is in payment, the payment will usually be made via the Local Authority Benefits Services system and paid to the same recipient as the Universal Credit award. The Local Authority Benefits Service should be made aware at the time of the application any exceptional circumstances where this would not be a suitable method of payment.

Payments for rent deposits & rent in advance will normally be made direct to the landlord.

Notification

The Local Authority Benefits Service will inform the claimant in writing of the outcome of their application, this will include.

If the DHP claim is successful: -

- the amount of DHP awarded
- whether any amount paid is in advance or in arrears
- the period of any award
- how, when and to whom the award will be paid
- further advice/support that is available such as budgeting advice etc.
- the claimant's right to a review of the decision

If the DHP claim is unsuccessful: -

- The Local Authority Benefits Service will set out the reasons why
- further advice/support that is available such as budgeting advice etc.
- the claimant's right to a review of the decision

The right to a review of a decision

DHP's are not payments of benefit and are therefore not subject to any 'right' of entitlement. Claimants who are refused an award of DHP will not be able to appeal to an independent tribunal. It is recognized that there is a need for a procedure to respond to requests for further information, to review decisions and allow customers to appeal.

Benefit/Technical assessment officers will deal with requests for reviews about a refusal to award a DHP, a decision to award a reduced amount of DHP, a decision on the length of the award or a decision that there has been an overpayment of a DHP. The Local Authority Benefits Service will respond to the claimant by telephone, or in writing and this action may resolve the matter.

Appeals will be considered by a Benefits Officer not involved in the earlier decisions. The case will be reviewed taking account of all the evidence held. The decision will be notified to the claimant in writing setting out the reasons for the decision.

If a customer remains dissatisfied with the administration process leading to the Appeal decision, the customer will be able to make a complaint through the Council's complaint procedure.

Overpayments

The Local Authority Benefits Service may seek to recover a DHP found to be overpaid in the following circumstances:

- a misrepresentation or failure to disclose a material fact by the claimant, or
- an error made when the application was determined.

Normally this will involve issuing an invoice to the claimant or the person to whom the award was paid. If an overpayment arises due to a Local Authority official error, then this overpayment will only be recovered if it is deemed by the decision maker that the claimant (or the person paid the DHP) would have been aware of the 'official error' at the time of receipt of the payment.

DHP overpayments are not able to be recovered from future Housing Benefit payments, unless the claimant requests this method of recovery. The decision letter which explains there is a recoverable overpayment will also set out the right of review, as explained previously in this policy.

Publicity

The Local Authority will publicise the scheme and will work with all interested parties to achieve this. A copy of this policy statement will be made available for inspection and will be posted on the Local Authorities website.

Fraud Prevention

The Local Authority is committed to the fight against fraud in all its forms. A claimant, who tries to fraudulently claim a DHP by falsely declaring their circumstances or providing a false statement of evidence in support of their application, may have committed an offence. Where the Local Authority Benefits Service suspect's fraud may have taken place, the application will be investigated and may lead to criminal proceedings being instigated.

*Some of the DHP Fund for Bournemouth residents is administered by the Housing Service; this is wholly in respect of rent deposit/rent in advance applications. Bournemouth residents applying for this type of assistance should contact the BCP Housing service.

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