

Discretionary Housing Payments Guidance

Introduction

The Discretionary Housing Payment (DHP) scheme allows Local Authorities to provide discretionary financial assistance to customers claiming Housing Benefit in addition to the statutory Housing Benefit scheme. The legislation governing Discretionary Housing Payments can be found in the Discretionary Financial Assistance Regulations 2001.

This guidance specifies how Rossendale Borough Council will operate the Discretionary Housing Payment scheme and highlights the factors we will consider when making awards. Each case will be decided strictly on its own merits and all customers will be treated fairly, reasonably and consistently.

The DHP Scheme

Discretionary Housing Payments provide customers who are in receipt of Housing Benefit or the housing element of Universal Credit with further financial assistance when the Council considers that help with housing costs is needed.

There are two separate elements to the DHP scheme:

- Rent in advance or rent deposits: or
- Shortfalls between rental liability and the payment of Housing Benefit / Universal Credit

The level of the award may cover all or part of a shortfall, or assist with the cost of setting up a tenancy such as deposit, administration fees or removal costs where there is a housing need.

The main features of the scheme are that:

- DHP payments are discretionary
- Customers do not have a statutory right to payment
- Payments are made from a cash limited fund
- The scheme is administered by the Housing Benefit Department
- DHPs are not a payment of Housing Benefit / Universal Credit
- Housing Benefit or the housing element of Universal Credit must be in payment in the benefit week that a DHP is awarded for

Objectives

The Housing Benefit Department will consider making a DHP payment to claimants who meet the criteria specified in this guidance. They will treat all claims on their individual merits, and seek through the operation of this and associated policies to:

- Alleviate poverty
- Encourage and sustain people in employment
- Help customers through a personal crisis/difficult event

- Prevent homelessness and sustain tenancies
- Support vulnerable residents in the local community

What DHPs can be paid for

A shortfall between rent and Housing Benefit / Universal Credit, providing the rent element is not excluded under the scheme. This may be due to, but not limited to:

- Rent shortfall to prevent a household becoming homeless while the Housing Options team explores alternative options
- Reductions in Housing Benefit / Universal Credit where the benefit cap has been applied
- Reductions in Housing Benefit / Universal Credit for under occupation in the social sector
- Reductions in Housing Benefits / Universal Credit as a result of Local Housing Allowance restrictions
- Rent Officer restrictions, such as Local Reference Rent or Shared Room Rate
- Income taper reductions
- Non-dependant deductions

Rent deposits, rent in advance and other lump sum costs associated with setting up a tenancy can be paid where the Council have accepted a Homeless Prevention Duty or the tenant is seeking to move to more affordable accommodation because they can no longer sustain their current tenancy. Applications must be referred from Rossendale Borough Council Housing Options Team.

Rent in advance can be paid if you are moving to a property outside Rossendale providing you are in receipt of Housing Benefit or the housing element of Universal Credit, and your current home is in Rossendale.

When making a DHP claim to assist securing a new tenancy, we will consider making payment direct to the landlord.

What DHPs cannot be paid for

- Ineligible service or support charges
- Increases in the amount you pay your landlord due to outstanding rent arrears
- Reductions in Housing Benefit / Universal Credit due to sanctions or overpayments
- Claims where Housing Benefit / Universal Credit has been suspended
- Rent when a person is receiving Council Tax Support but not Housing Benefit or help with housing costs in Universal Credit.

Claiming a DHP

A customer must complete and return to the Council, a properly completed DHP application form. Forms are available online at www.rossendale.gov.uk, the Council's Housing Options Team or One Stop Shop.

The application must be in completed and signed by the claimant. However, the Council can also accept claims from someone acting on behalf of the person concerned, such as an appointee or advocate; if the person is vulnerable and requires support; or if the person has requested someone to act on their behalf.

The claimant will be asked to provide supporting evidence of their income and outgoings. This must be submitted within one month of any such request, although this time limit will be extended in appropriate circumstances.

If the claimant does not provide all the required evidence, the Council will still consider the application. However, the Council may disregard any unsubstantiated statements or draw its own conclusions from other evidence available, including that held on file.

Awarding a DHP

The Housing Benefit Department will decide whether or not to award a DHP; and how much an award might be. The amount of the award will be determined on an individual basis but will not exceed the difference between the rental liability and the HB or housing element of Universal Credit in payment. One-off awards will be considered on their own merits.

When making this decision, the Council will consider:

- The shortfall between Housing Benefit / Universal Credit and the rent liability
- Any steps being taken by the customer to reduce the rental liability
- Any steps being taken by the customer to seek cheaper alternative accommodation suitable to their needs - registered with Housing Associations
- The financial and medical circumstances of the customer and any members of their household
- Any income disregarded in the Housing Benefit calculation (evidence of care packages, etc. to be shown on expenses)
- Any savings or capital that might be held by the customer or their family
- Unavoidable high costs, such as fares to work
- The level of indebtedness of the customer and their family (loans, credit and store card repayments, bank charges, financial commitments etc.)
- The possible impact on the Council of not making such an award, e.g. the pressure on homeless accommodation and the costs of using such services
- Any special circumstances which prevent the customer moving to cheaper accommodation

This list is not exhaustive and any other relevant factors or special circumstances will be taken into account.

Some examples of customers we want to assist are:

- People where the Council has accepted a homeless prevention or homeless relief duty
- Young people leaving Local Authority care
- People who are affected by reductions in Housing Benefit / Universal Credit entitlement as a result of Local Housing Allowance restrictions
- People who are affected by reductions in Housing Benefit / Universal Credit due to under occupation in the Social Rented Sector
- Families with Social Services intervention
- Victims of domestic abuse
- Ex-homeless people being supported to settle in the community
- People with health or medical problems, particularly where they need access to medical services or support not available elsewhere
- People with disabilities who have had their property adapted
- People who need to move to cheaper accommodation and need help with rent deposit or rent in advance to secure their new tenancy
- Families with children at a critical point in their education

Period of Award

Judgement should be used, and one of the following may be set as an end date;

- The end of the financial year; or
- To tie in with an expected change in circumstance, i.e. baby due date; or
- A date considered reasonable given the circumstance of the case; or
- The end date of the benefit entitlement; and
- No award will normally exceed 26 weeks

When considering a DHP claim it should be taken into account that the DHP scheme should in most cases be seen as a short-term emergency fund i.e. 3 to 6 months. Customers must be made aware that they must seek advice with regard to their housing needs and ways to manage financially in the long term. However, customers will be allowed to reapply on the expiry of any DHP award.

Backdating

The Council will consider any reasonable request for backdating an award of DHP. All requests should give the reasons why the application was not made at an earlier time. All considerations will be limited to;

- A calendar month unless special circumstances apply.

Subsequent and multiple applications

Claimants may make subsequent applications once their award has expired or if their circumstances change or worsen if they have been previously refused.

DHPs are intended as short-term assistance and the claimant will be expected to have made clear attempts to improve their financial and housing situation during the course of any award.

There is no guarantee that further awards of DHPs will be made but each application will be considered on its own merits.

Change of Circumstances

The Housing Benefit Department may revise an award of a DHP where the customer's circumstances have changed.

A customer is required to notify the Housing Benefit Department in writing of any changes in circumstance relevant to the award of a DHP.

Overpayments

In the event that a DHP is found to have been overpaid, the Council will consider whether it is appropriate to recover it in full, in part or not at all.

If the Council decides to recover the amount overpaid, it will raise an invoice and send it to the customer.

Dispute Procedure

DHPs are not payments of HB and the customer does not have the right to appeal to the HM Courts and Tribunal Service to change the decision. However, the Council does have a review process.

Customers can request a review of DHP decisions. They must do this in writing within one month of the original decision, stating why they disagree.

Reviews will be dealt with by the Housing Benefit Team Manager, who will give written reasons for their decision.

In the event that the claimant feels the review has not been undertaken fairly, they can request a final review of the decision by Rossendale Borough Council's Service Assurance Department. This decision will be final and may only be challenged via the Judicial Review process.

Fraud

The Council is committed to the fight against fraud in all its forms. A person, who tries to fraudulently claim a DHP by falsely declaring their circumstances, or false evidence to support their application, may have committed an offence under the Fraud Act 2006.

Where the Council suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings.