

Discretionary Housing Payments Policy

# Introduction

In 2001 a scheme was introduced granting all local authorities new powers to make discretionary payments on top of the housing benefit statutory scheme. The legislation governing Discretionary Housing Payments (DHP) can be found in the Discretionary Financial Assistance Regulations 2001 (S1 001/1167).

This policy specifies how Rossendale Borough Council’s Benefits section will operate the Discretionary Housing Payment (DHP) 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 Benefits section is committed to working with the local voluntary sector and other interested parties to maximise entitlement to all available state benefits and this will be reflected in the administration of the DHP scheme.

# The DHP Scheme

Discretionary Housing Payments provide customers with further financial assistance when the Local Authority considers that help with housing costs is needed.

Housing costs are not defined in the regulations. If the customer is getting Housing Benefit or an element of Housing Costs in Universal Credit, the housing costs mean the rent that is liable for payment.

Housing costs can also include rent in advance or rent deposits.

There are two separate elements to 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.

**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 Benefits section will consider making a payment of a DHP to claimants who meet the criteria specified in this policy. They will treat all claims on their individual merits, and seek through the operation of this and associated policies to:

* **Help alleviate poverty**
* **Encourage and sustain residents in employment**
* **Safeguard residents in their homes**
* **Maintain tenancy sustainment**
* **Keep families together**
* **Support the vulnerable in the local community**
* **Help claimants through personal crises and difficult events**
* **Alleviate short term crisis**

The Benefits section considers that the DHP scheme should be seen as a short term emergency fund. It is not and should not be considered as a way around any current or future entitlement restrictions set out within the housing benefit legislation.

# 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:

* **The rent is more than the Local Housing Allowance, Local Reference Rent or Shared Room Rate**
* **Income tapers**
* **Non-dependant deductions**
* **Reductions in Housing Benefits / Universal Credit entitlement following changes to the Local Housing Allowance rates**
* **Reductions in Housing Benefit / Universal Credit entitlements following the implementation of the size criteria restrictions for working age customers in the social rented sector from April 2013**
* **Reductions in Housing Benefit / Universal Credit entitlements following introduction of a cap on the total amount of benefits to which working age people can be entitled to**

4.2 Rent deposits or rent in advance, providing you receive Housing Benefit or an element of Housing Costs in your Universal Credit, at your current home; and this property is in Rossendale. Rent in advance can be paid if you are moving to a property outside Rossendale.

Rent deposits or rent in advance claims must be referred from Rossendale Borough Councils Housing Options Team.

DHPs for rent deposits or rent in advance can only be awarded to customers facing the threat of homelessness; and customers seeking to move to cheaper, more affordable accommodation; because they are no longer able to sustain their current tenancy.

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

Once the DHP has been made to the customer for rent in advance, or a deposit; and used for that purpose, the legislation does not provide for it to be refunded. It should be noted that once a DHP has been awarded to a customer for rent in advance, it is highly unlikely that any subsequent awards will be made again for this purpose.

# What DHPs cannot be paid for:

* Ineligible service charges
* Increases in rent due to rent arrears
* Reductions in Housing Benefit / Universal Credit due to sanctions or overpayments
* Claims where Housing Benefit / Universal Credit has been suspended
* Rent when the person is solely receiving Council Tax Support

# Claiming a DHP

A claim for a DHP must be in writing and signed by the claimant. This will be in the form of a DHP application form, provided by the authority on request. However, the Local Authority 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 required to return the form as soon as possible; and will be requested to include supporting evidence of their income and outgoings. This should include current bank statements showing all transactions over a 2 month period, proof of any debts or loans they are responsible for and any arrangements made. They will also need to complete a financial application for a DHP. The claimant will be asked to provide the information within one month of any such request although this time limit will be extended in appropriate circumstances.

If the claimant is unable to; or does not provide the required evidence, the Benefits section will consider the application; and make a decision based on the information they have. Any other evidence, including that held on file, will be taken into account. If no evidence is provided to confirm an expense, the Benefits section may use an average figure for the size of the claimant’s family. If a declared expenditure seems excessive in relation to the family size, the Benefits section has the right to reduce this figure, in line with an average for the family size.

The claimant will have the right to dispute this figure; and will need to supply evidence for the figure he/she has declared. The Benefits section reserves the right to verify any information or evidence provided by the customer.

# Awarding a DHP

The Housing Benefit Department will decide whether or not to award a DHP; and how much an award might be.

When making this decision, the local authority 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 of the 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 priority homeless accommodation
* There are 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:

* Young people leaving local authority care
* People who are affected by reductions in Housing Benefit / Universal Credit entitlement following changes to Local Housing Allowance rates from April 2011; and need additional time to find cheaper accommodation
* People who are affected by reductions in Housing Benefit / Universal Credit due to the Social Sector Size Criteria from April 2013
* Families with Social Services intervention
* People fleeing domestic violence
* Ex-homeless people being supported to settle in the community
* People threatened with homelessness
* 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

# 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.

# Decision Making

In all cases the Housing Benefit Department will consider the claim based on all the information; and facts known. The designated officer will make recommendations to the Service Assurance Officer who will agree or disagree with this recommendation.

In the case of rent deposits or rent in advance payments the decision will be made in conjunction with the Housing Options Team to ensure all options, services and advice Rossendale Borough Council can provide have been explored.

Notification regarding the decision will be made in writing by the Housing Benefit Department within 10 working days following receipt of the required information. This notification will set out reasons for the decision and explain how to disagree.

The notification will advise:

* The amount of the DHP
* The period of award
* The requirement to report a change in circumstances
* Information on who to contact for further help or advice

# Dispute Procedure

DHP’s are not payments of benefit and are therefore not subject to the statutory appeals process.

A claimant can disagree with the DHP decision. This must be made in writing stating the reasons why they disagree with the decision. If there is additional information they want to be considered; any proof or evidence to support the dispute, must be submitted within 14 days.

Disagreements will be dealt with by Housing Benefit Team Manager, who will give full written reasons for their decision; and what they can do if they are still dissatisfied.

Where a claimant is still dissatisfied they can request, in writing, a further review of the decision. The decision will be reviewed by Rossedale Borough Council’s Service Assurance Department. This decision will be final and may only be challenged via the judicial review process or by complaint to the Local Government Ombudsman.

# Overpayments

The Housing Benefit Department may seek to recover any overpaid DHP by invoice.

A letter will be sent to the person due to repay the overpayment detailing why it occurred; and what to do if they disagree.

# 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 Theft Act 1968 or the Fraud Act.

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.