

Winchester City Council's Discretionary Housing Payment Policy

Introduction

The Discretionary Housing Payment (DHP) scheme provides all Local Authorities discretion to provide additional support for people who are entitled to Housing Benefit (HB) or the Housing Cost Element of Universal Credit (UC). The legislation governing the DHP scheme can be found in the Discretionary Financial Assistance Regulations 2001 (SI 2001 / 1167) and subsequent amendment regulations.

The Department for Work and Pensions (DWP) has produced a good practice guide for the administration of DHP. This policy takes note of this guidance.

For the purpose of this policy, any reference to UC is where the claimant is entitled to UC with housing costs element towards a rental liability.

The main features of the scheme are that:

- The scheme is purely discretionary. A claimant does not have a statutory right to a payment.
- The amount that can be paid out in any financial year is cash limited by the Secretary of State. Each council receives a grant from the government that funds part of this amount and has the option to pay over and above this amount but the funding must be made from the council's own finances.
- DHP is not a payment of HB or UC. There must be entitlement to HB or UC.
- There must be a requirement for further financial assistance (in addition to HB or UC) to meet their housing costs.
- The administration of the scheme is for the council to determine with a few specific exceptions detailed in appendix A.

DHP funding is made up of four elements to reflect legislative changes to the HB and UC schemes;

1. Core Funding
2. Local Housing Allowance
3. Social Sector Size Criteria
4. Benefit Cap

Although the funding is on the basis of four separate elements it is not ring-fenced to people affected by these reforms.

Appendix B sets out DHP funding.

There is a range of financial and welfare support available to meet a variety of different circumstances and needs for low-income households. The DHP fund is

designed to provide support to secure affordable accommodation. It provides short-term support for exceptional circumstances affecting a claimant's ability to meet their rent liability.

The short-term nature of the fund is to provide time for the household to get further advice and make changes to their circumstances which will achieve longer term financial sustainability of their current home or find alternative accommodation which is affordable within the HB and UC schemes.

The policy also acknowledges that there are some circumstances which are longer term and financial support with housing costs is required for those households.

1.0 Statement of Objectives

The DHP budget is targeted to provide support to those who most need it. Each DHP case will be treated strictly on its own merits and all customers will be treated fairly, reasonably and consistently. We are committed to working with the local voluntary sector, social landlords and other interested parties in the local area to maximise entitlement to all available state benefits and this is reflected in the administration of the DHP scheme.

The primary objectives of the scheme are;

- Preventing homelessness
- Enabling people to secure new affordable tenancies
- Safeguard residents of the district in their homes
- Provide short-term assistance for those who are trying to help themselves
- Provide long term assistance where a household's circumstances are deemed to be such that financial independence is not an option, for example due to disability

In achieving these aims it is anticipated that the scheme will also help to;

- alleviate poverty
- encourage people into finding and maintaining employment.

Applications for DHP should only be made as a last resort. Awards will be made where the household demonstrates exceptional circumstances which can only be alleviated by additional financial support from the fund where no other alternatives exist.

It is recommended that all claimants seek independent guidance from the Citizens Advice, or other similar agencies, to assist with improving their personal circumstances and maximising their income.

The budget will be carefully monitored throughout the year to ensure the funding is used in the most effective way.

2.0 Housing Costs

There is no legal definition of the term 'housing costs'. For the purposes of this policy, 'housing costs' will be deemed to be:

- rent liability
- rent deposit
- rent in advance
- removal costs
- lump sum expenditure for household items that are essential to enable the property to be used as a home

3.0 Lump sum payments for Housing Costs

A DHP can be awarded for a rent deposit or rent in advance for a property that the claimant is yet to move into if they are already entitled to HB or UC at their present home.

Rent in advance, deposit payments and removal costs are a significant cost to those moving home. Assistance may be provided by DHP where it will assist the applicant to secure long-term affordable accommodation where there is a significant risk of homelessness or ongoing financial hardship.

The council must be satisfied there is a genuine need to move and there are no other means available to pay the required rent in advance or deposit to secure the tenancy. It is expected that applicants would usually be engaged and supported by the Housing Options team in order to access support under this part of the scheme.

The weekly/monthly limit does not apply to lump sum payments as they are being awarded to meet an immediate housing need. It is not made in respect of a period, the claimant must be entitled to HB or UC at the point the award is made.

DHP can not be used to pay rent arrears for periods where there is no entitlement to Housing Benefit or Universal Credit. DHP can be paid for a past period to top up the difference between the eligible rent and Housing Benefit or Universal Credit.

4.0 Relevant Time for Claiming

Applications for DHP should be made as soon as possible where the household falls into difficulty and is unable to manage to meet its rent liability. Awards of DHP will normally be made from the date of the application. It is possible to pay DHP for past periods however this is at the discretion of the officer who makes the decision.

Applications for rent in advance or deposits must be made prior to the commencement of the tenancy.

A DHP cannot be awarded for any period the customer has no entitlement to HB or UC.

A DHP can only be awarded after the end of the first UC assessment period where the award includes a payment of housing costs element.

5.0 Making a Claim

A claim can be made by a person entitled to HB, UC or from a person acting on their behalf. The DHP claim must be made on the prescribed form available on the council's website. The form is designed specifically to gather all relevant information to enable an officer to make a decision. The form incorporates a standard income and expenditure sheet and questions designed to provide a consistency of detail to support decision making. Where possible the council will obtain information internally or from the DWP, the council may require the applicant to provide further information, if this information is not provided within one month, the claim will be defective and no further action taken.

Applicants requiring a lump sum payment to help towards a one off housing cost will complete a different application form which is available on the council's website.

6.0 Making an Award

DHP decisions will be made by Benefit Officers within the Benefits & Welfare Service.

7.0 Notification

The outcome of the application will be notified within 14 days of receipt of the claim and any subsequent information requested. Where an application is unsuccessful, the reasons why this decision was made will be set out and the right of review explained.

Where the application is successful, the award notification will set out

- the weekly, monthly or total amount of DHP awarded;
- the period of the award;
- how, when and to whom the payment will be made;
- the requirement to report a change in circumstances.

The council may provide recommended actions for the applicant to consider which may help to improve the household circumstances. It is expected that this advice is followed before any future award is made.

8.0 Period of payment

Each case will be decided on its own merits and there is no minimum period an award will be made for. The period of the award is at the discretion of the officer making the decision based on the individual circumstances of the case. DHP awards are designed primarily to meet short term requirements and provide time for customers to make necessary changes to their circumstances to ensure they are able to live within their means in the longer term.

All awards will have an end date.

9.0 Maximum amount of a DHP award

The maximum amount of DHP payable on an ongoing basis is prescribed within the Discretionary Financial Regulations:

- For a person entitled to HB the maximum amount of DHP is limited to the difference between the HB award and the eligible contractual rent after deduction of any ineligible service charges as defined in appendix A. This is known as the “shortfall”
- For a person entitled to UC the maximum award is equal to the level of the housing cost element allowed in the UC assessment for each calendar month assessment period

10.0 Method of payment

The chosen method of payment will be based on the individual’s circumstances and payment will be made to the most appropriate person in the best interests of the applicant.

Payments of DHP are usually made where there is a risk of someone being evicted or to help secure a new tenancy by way of rent in advance or deposit and therefore usually the landlord or their agent will be the person whom DHP is paid to.

Payment would only be made to the claimant or their nominated appointee where there is evidence the rent has already been paid or paying the landlord could threaten the tenancy. The method of payment will usually be by BACs transfer or crediting the rent account where this is possible. The frequency of payment will normally be made in line with how the HB or UC is paid.

10.0 Change of circumstances

If a claimant fails to meet the eligibility requirements for HB or UC and is not entitled to either benefit any award of DHP made under this scheme will be terminated.

An award of DHP may also be revised where there has been a change in the customer’s financial household circumstances. It is the customer’s responsibility to notify the council as soon as any change occurs. Any amendment to the DHP award may result in an overpayment of DHP which may be recovered. Section 15 provides further details of how an overpayment of DHP will be recovered.

11.0 Disputes and Appeals

A DHP is not a payment of HB or UC and therefore it is not subject to the statutory appeals process. The independent Tribunal Service cannot hear appeals relating to DHP.

If there is a dispute with the decision this must be notified within one calendar month of the date of the decision letter. This must be made in writing and clearly set out the reasons for the dispute and provide any additional information which needs to be considered.

The dispute will be considered by a different officer from within the service who made the original decision.

A further dispute can be made in writing to the Benefits and Welfare Manager. The outcome of the dispute will be notified in writing.

There is no further right of internal appeal should the decision be disagreed with.

The route of judicial review is available, and the local government ombudsman if there is an allegation of maladministration.

15.0 Overpayments and Recovery of DHP

Careful consideration will be given on recovery of any overpayment and it may be decided not to recover an overpayment.

DHP cannot be recovered from on-going HB, UC or from other prescribed benefits.

An invoice will be issued to the claimant or the person to whom the award was paid. If this is not paid further recovery action will be taken, for example using debt collection agencies or offsetting overpaid DHPs if further DHPs are granted at a later date.

16.0 Fraud

Most applications for DHP are genuine. Some applications are made with the deliberate intention to obtain money to which the applicant is not entitled. The application for DHP should be a true representation of the applicant's circumstances.

It is an offence to misrepresent or fail to disclose relevant information in an application for DHP. Where facts are misrepresented or where there is a failure to disclose relevant information in support of their application, this may constitute an offence under the Theft Act 1968. Where it is suspected that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to legal action being taken against the person who made the claim.

17.0 Equalities Statement

We are committed to delivering a service that is accessible and fair to all of the communities that we serve and ensure that all people are treated with respect and dignity. The Equality Act 2010 sets out an 'Equality Duty' to:

- eliminate discrimination, harassment and victimisation,
- promote equality of opportunity between different groups in the community and
- foster good relations within the local community.

We give careful consideration to equality issues in our new and existing policies, strategies and services to see what effect they will have on different groups within our communities, including those with protected characteristics.

The protected characteristics covered by the Equality Duty are:

- age
- gender reassignment
- being married or in a civil partnership
- being pregnant or on maternity leave
- disability
- race including colour, nationality, ethnic or national origin
- religion or belief
- sex
- sexual orientation

18.0 Policy Review

The policy will be reviewed on an annual basis or in line with any major changes to the HB, UC or Financial Assistance regulations to ensure it remains valid, relevant and effective in achieving the policy objectives.

Appendix A

Housing Costs Excluded by Legislation from the DHP Scheme

The following elements are specifically excluded by legislation from eligibility for support by the DHP scheme:

- 1) Ineligible charges. Service charges that are not eligible for HB or UC as specified by legislation cannot be covered by a DHP.
- 2) To help with Council Tax
- 3) Increases in rent due to outstanding rent arrears. A rental liability may be increased to recover arrears of rent. This increase does not form part of the rental liability that can be considered eligible for DHP award.
- 4) Sanctions and reductions in any welfare benefits. DHPs cannot meet these because to do so would undermine the effectiveness of the sanctions or reduction in benefit.
- 5) Benefit suspensions. HB or UC can be suspended because there is doubt about entitlement or because a customer has failed to supply information. In such cases DHP can not be paid instead. One of the intentions of the suspension provisions is to act as a lever to ensure that the customer takes the necessary steps to provide the authority with the necessary information/evidence - paying DHPs could reduce the effectiveness of this lever.
- 6) Shortfalls caused by benefit overpayment recovery. When recovery of an overpayment is taking place, shortfalls cannot be considered for a DHP.

Appendix B

DHP Funding

The DHP funding	2015/16	2016/17	2017/18	2018/19	2019/20
Amount Funded by the Government	£96,253	£112,253	£171,871	£138,880	£133,087

