

# **Winchester Council's Discretionary Housing Payment Policy**

## **Introduction**

This document sets out Winchester Council's Discretionary Housing Payment (DHP) policy for the financial year 2017/18 and for future years until amended.

DHP is a centrally funded, ring-fenced grant which supports local authorities in providing additional financial assistance for housing costs to Housing Benefit (HB) households and households in receipt of Universal Credit Housing Costs (UCHC).

The DHP fund is allocated to local authorities by the Department of Work and Pensions (DWP). The grant distribution formula is calculated on local authority HB caseload, previous DHP spend and forecast impacts from the following welfare reforms:

- Local Housing Allowance (LHA) reforms;
- Social Sector Size Criteria
- Benefit Cap

Appendix B shows the level of funding received by Winchester City Council in the past 5 years.

While the remit of DHP is restricted by statute, the local authority retains discretion on how to target spend within the legislative framework. This document defines Winchester Council's local policy for the administration of DHP under the discretionary element of the scheme.

The Council is committed to ensuring the customer journey is simple and effective and as such discretionary funding pots are aligned to mitigate the impacts of Welfare Reform wherever possible. The DHP policy adheres to this vision.

## **Principles of Winchester's Discretionary Housing Payment Scheme**

The principles of the DHP scheme are to support residents into long term, sustainable, financially independent living. These are aligned to the Community Strategy as part of delivering an entrepreneurial approach to public services and to the Housing Revenue Account (HRA) Hardship Fund and other council funds as appropriate, by. The policy acknowledges that for some households long term financial support with housing costs is required and addresses such scenarios.

The principles of Winchester's Discretionary Housing Payment scheme are:

- To ensure a financial sustainable approach to supporting residents
- To provide short-term support to assist long-term, sustainable, financial independence
- To provide long term support where a household's circumstances are deemed to be such that sustainable financial independence is not an option, e.g. due to disability

- To align with the HRA Hardship Fund and other council funds as appropriate To support the Homelessness Strategy and help reduce poverty in the borough To help support residents into work
- To reduce the risk to health and safety of households
- To support safeguarding of children and adults and promoting family

### **Primary Qualifying Criteria**

To enable these principles to be maintained, the following primary criteria will be considered for all applications

- Sufficient funds must be available within the DHP pot allocated to the local authority
- Household must not be able to obtain funds from elsewhere to meet the housing need they are applying for DHP to assist with
- Household must not have received funds elsewhere for the rent/household item they are applying for
- Applicant/partner must be willing to adhere to opportunities for support to assist in becoming financially independent, including engaging with Council's Housing Needs Services and the Winchester Supporting Families programme and back to work initiatives
- Applicant/partner must not have received a DHP payment for a rent deposit, rent in advance or removal costs within the last two years with exception of people fleeing domestic violence, suffering from mental health illness (known to mental health partners, CNWL, and in receipt of mental health care package) or intentionally homeless

### **Statutory framework**

DHP is legislated for in the Discretionary Financial Assistance Regulations 2001 as amended and provides the following framework:

- DHP may only be awarded to people in receipt of Housing Benefit or Universal Credit Housing Costs from Winchester Council;
- DHP may only be awarded to people who the authority find are in need of additional financial assistance to enable them to meet their housing costs;
- DHP may not be awarded to cover housing costs that are specified as ineligible for Housing Benefit or Universal Credit Housing Costs;
- Where DHP is awarded to assist with weekly rental liability, payments will not exceed that liability less any ineligible charges for Housing Benefit or Universal Credit Housing Costs;

DHP cannot be used to:

- assist with the payment of Council Tax;
- assist with an increase in rent to cover arrears;

- To cover sanctions, reduction in benefits due to collection of debt or due to a failure to comply with a Child Support Agency Order e.g for recovery of a housing benefit overpayment.
- The Council will only award DHPs from the Central Government funding allocation, and will not seek to top up this grant from the General Fund.

## **Housing costs**

There is no legal definition of the term 'housing costs' or 'further financial assistance'. Under Winchester's DHP policy 'housing costs' will be deemed to be:

- Eligible Rent as defined by the Housing Benefit Regulations 2006 or Rent Payments as defined by the Universal Credit Regulations 2013
- 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

An application for DHP will be considered for the following situations where it is demonstrated that the claimant is unable to meet these costs by other means:

- Housing Benefit/Universal Credit Housing Cost shortfall in rent due to welfare reform including Benefit Cap, Social Sector Size Criteria and reductions in Local Housing Allowance (LHA)
- Housing Benefit/Universal Credit shortfall in rent due to LHA/rent officer restriction
- Housing Benefit/Universal Credit shortfall in rent due to level of household income
- Housing Benefit/Universal Credit shortfall in rent due to non-dependant deductions
- Rent deposit/rent in advance
- Removal costs
- Household items that are required to enable the property to be used as a home.

The following are ineligible costs for which DHP cannot be paid:

- Ineligible service charges as defined by the Housing Benefit Regulations 2006 or Universal Credit Regulations 2013
- Rent arrears, including where these have been added to ongoing rent payments
- Council tax
- Costs resulting from a suspension in HB or UC or where benefit pended awaiting the outcome of an appeal
- Shortfall resulting from recovery of HB or UC overpayment from ongoing benefits
- Shortfall resulting from a sanction or reduction in HB or UC imposed by DWP

## Secondary Qualifying criteria

In addition to meeting primary and legislative criteria, successful applicants must, in most instances, fall into one of the groups listed below. Meeting any of the criteria will not in itself result in an award being made.

The following are a guide to the types of scenarios when DHP may be awarded, but each case will be considered on its own merits.

- Disabled. Defined as in receipt of Disability Living Allowance, Personal Independence Payment, Employment and Support Allowance (support component), Armed Forces Personal Independence Payment, Attendance Allowance or registered blind;
- Suffering with severe medical complaint that results in additional needs;
- Pensioner, as per DWP definition;
- An expectant mother within 3 months of child birth requiring an additional room following the birth of the child;
- A child in the household will turn 10 years of age within 6 months and due to them being of the opposite sex to their sibling(s) will become entitled to an additional room under Housing Benefit/Universal Credit rules;
- A single applicant who within 6 months will turn 35 years and their rent is restricted under the Shared Accommodation Rate rules;
- A move would be seriously detrimental to a child's education, e.g. within a year of GCSE exams.
- Household member is leaving institutional care;
- Household member is at risk of entering institutional care;
- Fleeing domestic violence;
- Entering into work or in long term genuine and effective employment;
- Ex-prisoner leaving prison;
- Suffering with mental health issues (known to mental health partners and in receipt of mental health care package) and known to Social Services;
- Supported Families (previously Troubled Families) (SF), Children's Services Youth Offending Team (YOT), Hampshire Safeguarding Children board under Child Protection Plan);
- Household requirement to remain in locality of specialist support needed by household members, e.g. health care provision
- Requirement of household to remain in accommodation due to lack of suitable alternative, cheaper accommodation, e.g. if property adapted for disability
- Households needing to move on advice of Police e.g. witness protection;
- Where there is a risk to the health or safety of household members if a DHP is not paid.

Once identified as falling into one of more of above categories, the household will be assessed against the following criteria to identify the ability of the household to manage the 'housing costs' themselves.

Each case will be considered on its own merits with reference to the following financial criteria:

- DHP funding is still available

- Household is experiencing severe financial hardship
- Income and expenditure available to the household compared to the amount of the housing cost applied for
- The ability of all household members to financially contribute including any assets held
- Whether payment of DHP will resolve financial difficulties
- Whether payment of DHP promotes financial independence, including to take up work
- Reasonableness of rent charged
- Other steps taken by applicant to resolve financial difficulties, such as negotiating rent level with landlord
- No alternative financial assistance available to household
- Additional household expenditure due to illness/disability

Any case falling outside of the above discretionary criteria will be considered on its own merits and in exceptional circumstances may result in an award of DHP.

Underpinning this decision making process will be whether the payment of a DHP will resolve, either temporarily or long term, the financial predicament for the household, and whether moving the household would prevent them from accessing the support/employment/education they receive in their current property

## **Accessing DHP**

### **Claim process**

An application for DHP must be made to the local authority. The applicant or application appointee (but not a landlord) must make the initial application verbally, in writing or electronically. The Council may request that the application be supported by additional written, telephone or electronic evidence or further information deemed reasonable by the council to enable a decision to be made.

Where possible the council will obtain information internally or from DWP, however the Council may require the applicant to obtain and provide further information. If the information is not provided within one month, the claim will be deemed to be defective.

The applicant has a duty to notify the local authority of any change of circumstances that may affect their entitlement to DHP. This includes changes that may be known by other council services or the DWP.

### **Start date of award**

DHP award will normally begin from either:

- The Monday following the date the application is received; or
- The date Housing Benefit/Universal Credit Housing Cost entitlement began if the application is received within 1 month of the date the applicant was notified that their benefit had been decided; or

- The effective date of change to benefit following a change of circumstances, if the application is received within 1 month of the applicant being notified of the decision relating to the change of circumstances; or
- The effective date of change to benefit following a change of legislation, if the application is received within 1 month of the applicant being notified of the decision relating to the change; or
- A date requested by the customer following a successful claim for backdating (see backdating below)

### **Backdating**

The request for backdated DHP must be in writing and must give reasons to show continuous 'good cause' for not making a DHP application within the above time limits. 'Good cause' must be shown for the whole of the backdate period.

There is no limit to the period DHP backdating can be awarded for, but the applicant must receive Housing Benefit/Universal Credit Housing Costs for all of the period backdating is awarded for, and funds must be available to support the award.

### **End date**

A DHP is always for a limited period and cannot carry on beyond the end of the Housing Benefit/Universal Credit Housing Cost claim. The end date of the DHP period will depend on the individual circumstances of each application and funds available. The issues to be considered are:

- The expected duration of the applicant's circumstance that led to the award being made;
- Tenancy end date;
- Expected date of change of circumstances, such as child leaving school;
- Amount of funds available in the current financial year and future financial year(s);

Where a DHP is awarded to support the transition into work, the end date of the award will be the latest of either:

- Four weeks from the start of work if an extended payment run on is not applicable; or
- The date tax credit payment begins.

If the need for a DHP continues after the award period ends, the period can be extended if a new application is made.

### **Amount**

The maximum DHP is the amount of shortfall between the eligible rent and the entitlement to Housing Benefit/Universal Credit Housing Costs, or the amount of other housing costs if a lump sum is awarded, e.g. rent deposit.

For applicants in receipt of Universal Credit Housing Costs the shortfall will be based on the identifiable housing element of the claim. The amount of the award will be decided depending on the applicant's circumstance.

Where DHP is awarded for a weekly amount, the level of the award will not exceed the full eligible rent.

The amount of the award does not have to be for the full shortfall in rent or for the full lump sum. Consideration will be given to how much is needed to ease the applicant's financial situation and the ability of the household to contribute

Where a DHP is awarded to assist the transition into work, the maximum weekly payment will not exceed the Housing Benefit entitlement prior to starting work.

### **Decision**

A decision will be made once all relevant information is received. Awards of DHPs are at the local authority's discretion. All decisions will be recorded within the electronic assessment system for auditing purposes.

Decisions will be notified in writing within three working days of the decision or such period as is reasonably practicable. Decision notices will include the reason for the decision, the amount, period of the award if appropriate, method of payment, review process and the need to notify changes of circumstance.

If the decision refers to an overpayment of DHP the decision notice will include the amount, period and reason for the overpayment.

### **Payment**

Although not benefit, where the DHP is awarded to cover a rent shortfall the DHP will, in the first instance, be paid with any Housing Benefit entitlement. If benefit is paid to the landlord then DHP will be paid in the same way.

Where Universal Credit is in payment, the council may deem it reasonable to pay either the applicant, landlord or someone acting on behalf of the applicant.

DHP will be paid in the same payment cycle as Housing Benefit. Where Universal Credit is in payment, the frequency of payments will be dependant on the applicant's requirements and the ability of the council to meet those requirements.

Rent deposits will be paid to the landlord in all but exceptional circumstances.

Rent in advance will be paid to the new landlord in all but exceptional circumstances.

Removal costs will be paid via invoice to the removal company.

Any goods will be purchased directly from companies identified through the Council's procurement process.

### **Cancellation and change of circumstances**

Applicants will be notified of the requirement to inform the council of changes in circumstance. This may be with reference to information provided in their claim for Housing Benefit/Universal Credit.

A DHP award can be cancelled or amended if:

- The applicant has had a change in circumstance that affects DHP; or
- DHP has been awarded based on information that was wrong or that the authority was not aware of (this may be fraudulent or otherwise); or
- An error was made when the award was decided and payment was made based on this error; or
- The Housing Benefit/Universal Credit Housing Cost entitlement changes. Where the change results in a reduction in Housing Benefit/Universal Credit Housing Cost, the applicant may be required to apply to have the amount of DHP increased. This will be considered under the same criteria as a new DHP application.

The cancellation or amendment may be from the start of entitlement or from a later date depending on the reasons for cancellation.

DHP can be suspended if a question has arisen over the entitlement to the award or the method of payment.

### **Overpayments**

Overpayments of DHP will be recoverable. Consideration will be given to whether the overpayment is due to applicant or local authority error and whether the applicant could have reasonably known they were being overpaid.

If the overpayment is recoverable a decision will be made from whom to recover the overpayment from. Recovery could be made from either:

- Applicant; or
- the person the DHP was paid to; or
- a third party who knowingly gave false information which led to the overpayment.

### **Collection of overpayments**

The following methods will be used to recover overpayments of DHP:

- Recovery from ongoing DHP entitlement;
- Transfer of the debt onto the Council Housing rent account if the account has sufficient credit;
- By sundry debtors invoice.

DHP overpayments cannot be collected from ongoing Housing Benefit entitlement.

Information will be gathered from the applicant, DHP records and any other relevant sources to inform the rate the overpayment will be recovered at. Consideration will be given to:

- The size of the debt;
- How long the debt will take to recover;
- Whether the overpayment is due to fraud;
- What other corporate debts are owed;



- The financial circumstance of the household;
- Any vulnerability identified within the household as in accordance Council Tax Recovery policy.

All recovered overpayments will be allocated back into the outstanding DHP grant for the year.

If the overpayment is not recoverable then it will be submitted for write off within the Schedule of Delegation.

### **Disputes**

If the customer disagrees with the decision they must make a dispute in writing giving the reasons why they think the decision is wrong and providing additional evidence to support their case.

This must be received by the local authority within one month of the original decision. Late requests can be considered if the applicant has good reason for the delay.

The review will be carried out by an officer in a more senior position to that of the original decision maker and who has had no previous involvement in the determination of the claim.

Disputes will be considered within one month of receipt or as soon as reasonably practicable, The applicant will be notified in writing of the decision within 3 days of the decision, giving the reasons for the decision.

There is no further internal right of appeal

### **Monitoring and evaluation**

The DHP spend will be monitored on a monthly basis to ensure expenditure is within available funds.

Management Information (MI) will be collated to identify areas of high demand to allow monitoring against the intention of this policy.

MI will be aligned to the requirements of the DWP statutory return as detailed in Appendix A.

## Appendix A

Has the applicant been affected by one of the following? (Select from list)

Benefit Cap

Removal of spare room subsidy in social rented sector

LHA restrictions

Combination of reforms

No welfare reform related impact

What is the intended outcome? (Select from list)

(a) To help secure and move to alternative accommodation (e.g. rent deposit)

(b) To help with short term rental costs until applicant secures alternative accommodation

(c) To help with short term rental costs while the applicant seeks employment

(d) To help with on going rental costs for disabled person in adapted accommodation

(e) To help with getting into work

(f) To help with short term rental costs for any other reason

## Appendix B

