Discretionary Housing Payment

Background:

From 2nd July 2001 a scheme was introduced which grants all Local Authorities discretionary powers to top up the Housing Benefit and Council Tax Benefits Statutory Schemes. The legislation governing DHPs can be found in the Discretionary Financial Assistance Regulations 2001 (S1 001 / 1167)

In Summary:

A Discretionary Housing Payment is not an award of Housing Benefit. It is a discretionary payment awarded in addition to Housing Benefit or Universal Credit where there is a housing costs element.

With these payments the council has the discretion;
- whether to award a DHP or not and
- how much to award and how long for

Discretionary Housing Payments must be claimed, and the council can accept a claim in any form it so chooses. However, they can only be paid to a claimant who is entitled to Housing Benefit or Universal Credit (housing costs element).

The discretionary payment is to provide financial assistance towards housing costs for a claimant who is in financial hardship and struggling with their housing costs. Housing costs are not defined but a DHP may be able to help;
- where there is a shortfall between how much Housing Benefit or Universal Credit (housing costs element) a claimant receives and their rent liability, or
- lump sum costs, such as removal costs to somewhere more affordable

Whether awarded weekly or monthly, a DHP cannot be more than the value of the rent. It cannot be awarded to meet the costs of -

- ineligible service charges, or
- water, sewerage charges or other environmental services, or
- increases in rent liability to cover rent arrears or other unpaid charges, or
- council tax liability, or
- reductions in state benefits where the person -
  o fails to co-operate with the Child Support Agency, or
- refuses to attend or participate in a work-focused interview, or
- fails to comply with a Court Community Order, or
- is evicted for anti-social behaviour, or
- rent liability where -
  - HB is suspended because the claimant fails to supply information or where there is a doubt about entitlement, or
  - Jobseekers Allowance has ended or reduced because the person leaves work voluntarily, or has his employment terminated due to misconduct
- to make up for a reduction or shortfall in benefit due to -
  - suspension for failure to provide information or because there is a doubt about entitlement to HB, or
  - deductions from HB because of an overpayment

The council can review their decisions about individual DHP’s at any time
Discretionary Housing Payments Policy

Purpose

The purpose of this policy is to specify how South Norfolk Council’s Benefits Service will operate the scheme and to indicate some of 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 when the scheme is administered.

The Early Help approach at South Norfolk Council, which includes the Benefits Service, is committed to working with the local voluntary sector, social landlords and other interested parties in the district to encourage claimants into work and improving their employment opportunities.

Through working holistically and in partnership, support will be reflected in the administration of the DHP scheme. Where the evidence provided indicates that the claimant is not claiming another state benefit they may be entitled to, the Benefits Service will advise them to make such a claim and provide details of other agencies in the district who may be able to help with such a claim.

The Benefits Service will utilize other resources made available to them through the Local Authority to help meet the overall objectives as stated below. This could be through although not limited to early intervention with the help of the early help hub, or administering food vouchers.

Objectives:

The Benefits Service will consider making a payment of a DHP to all claimants who meet the qualifying criteria as specified in this policy. The Benefits Service will treat all applications on their individual merits and will seek through the operation of this policy to-

- alleviate poverty
- encourage and sustain people in employment
- tenancy sustainment and homelessness prevention
- safeguard residents in their own homes
- help those who are trying to help themselves
- keep families together
- support the vulnerable in the local community
- help claimants through personal and difficult events
- supporting young people in the transition to adult life
- support people affected by welfare reforms, in particular the:
  - benefit cap
  - social sector size criteria; and the
The Benefits Service 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.

Claiming a DHP

A claim for a DHP must be made in writing and signed by the claimant. A letter or signed statement will be deemed as sufficient provided the following conditions are met:

- On request, or in appropriate circumstances, the Benefits Service will issue the claimant with a special DHP application form. This will be date stamped and will count as the date of claim. The claimant will be required to return the form to the Benefits Service within one month of its issue and will be encouraged to include any relevant supporting evidence.
- The Benefits Service may request any (reasonable) evidence in support of an application for a DHP. The Benefits Service will make such requests in writing. The claimant will be asked to provide the evidence within one month of such a request although this will be extended in appropriate circumstances.
- If the claimant is unable to or does not provide the required evidence, the Benefits Service will still consider the application and will in any event consider any other available evidence including that held on the housing benefit file.
- The Benefit Service reserves the right to verify any information or evidence provided by the claimant in appropriate circumstances.

Period of award

In all cases the Benefits Service will decide the length of time for which a DHP will be awarded based on the evidence supplied and the facts known.

The start date of an award will normally be:

i) the Monday after the written claim for a DHP is received by the Benefits Service, or

ii) the date on which entitlement to housing benefit / council tax benefit commenced (providing the application for DHP is received within one calendar month of the claim for housing benefit / council tax benefit being decided), whichever is the earlier, or the most appropriate. The Benefits Service cannot award a DHP for any period outside an existing housing benefit period granted under the housing benefit statutory scheme.
• The minimum period for which the Benefits Service will award a DHP is one week.
• The Benefits Service will not normally award a DHP for a period exceeding 12 months.
• The Benefits Service will consider any reasonable request for backdating an award of a DHP but such consideration will be limited to the current financial year.

**Awarding a DHP**

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

- the shortfall between housing benefit and the liability;
- any steps taken by the claimant to reduce their rental liability;
- the medical circumstances (i.e. ill health or disabilities) of the claimant, their partner and any dependents and any other occupants of the claimant’s home;
- the income and expenditure of the claimant, their partner and any dependents or other occupants of the claimant’s home;
- any savings or capital that might be held by the claimant or their family;
- the level of indebtedness of the claimant and their family;
- the exceptional nature of the claimant and their family’s circumstances;
- the amount available in the DHP budget at the time of the application;
- the possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation;
- any other special circumstances brought to the attention of the Benefits Service.

The Benefits Service will decide how much to award based on all of the circumstances. This may be an amount below the difference between the liability and the payment of housing benefit. An award of a DHP does not guarantee that a further award will be made at a later date even if the claimant’s circumstances have not changed.

**Changes of circumstances**

The Benefits Service may need to revise an award of a DHP where the claimant’s circumstances have materially changed.

**Method of payment**

The Benefit Service will decide the most appropriate person to pay based upon the circumstances of each case. This could include paying:

- the claimant
- their partner
- an appointee
- their landlord (or an agent of the landlord), or
• any third party to whom it might be most appropriate to make payment

Payment frequency will normally be made in line with how the housing benefit is paid. The DWP advocate that DHPs can be made as a one-off lump sum payment to cover an immediate housing cost need.

This can help with things such as:
• rent deposits
• rent in advance
• removal costs

The value of an award of DHP is at the LA’s discretion but it must not exceed the difference between the UC claimant’s eligible housing costs element and his monthly rent liability, less ineligible service charges.

The LA can identify the maximum monthly DHP amount by examining the eligible housing costs element within the UC calculation. There is no identifiable amount of the final Universal Credit award attributable to housing costs, therefore, the LA can decide on the level of the DHP providing it does not exceed the eligible housing cost element.

Notification

The Benefits Service will inform the claimant in writing as soon as is reasonably practicable of the outcome of their application. Where the application is unsuccessful the Benefits Service will set out the reasons why this decision was made and explain the right of appeal. Where the application is successful the Benefits Service will advise:
• the weekly amount of DHP awarded
• the period of the award
• how, when and to whom the award will be paid
• the requirement to report a change in circumstances

The right to appeal

DHPs are not payments of housing benefit and are therefore not subject to the statutory appeals mechanism.

The Benefits Service will operate the following policy for dealing with appeals about a refusal to award a DHP, a decision to award a reduced amount of DHP, a decision not to backdate a DHP or a decision that there has been an overpayment of a DHP.

A claimant (or their appointee or agent) who disagrees with a DHP decision may dispute the decision. A request for an appeal shall be delivered in writing to the Benefits Service within one calendar month of the written decision about the DHP being issued to the claimant.
Where this has not already been done, the Benefits Service will explain the DHP decision to the claimant by telephone, at interview or in writing and will seek to resolve the matter.

Where agreement cannot be reached, the Benefits Manager will consider the case. The Benefits Manager will review all the evidence held and will make a decision within 14 days of referral or as soon as practicable.

Where the Benefits Manager decides not to revise the original decision he / she will notify the claimant of their decision, in writing, setting out the reasons for their decision. This decision is final and binding and may only be challenged via the judicial review process or by complaint to the Local Government Ombudsman.

In exceptional circumstances, only, all the above time periods for appeal may be extended.

**Overpayments**

The Benefits Service will seek to recover any DHP found to be overpaid. Normally this will involve issuing an invoice to the claimant or the person to whom the award was paid. It is most unlikely that recovery of any overpayment caused by an official error will be sought.

Under no circumstances will recovery be made from any amounts of housing benefit (except if the claimant requests this method of recovery specifically). The decision letter that notifies an overpayment will also set out the right of appeal.

**Publicity**

The Benefits Service will publicize 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 South Norfolk Council web site. Information about the amount spent will not normally be made available except at the end of the financial year.

**Fraud**

The Benefits Service 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, providing a false statement or evidence in support of their application may have committed an offence under the Fraud Act 2006. Where the Benefits Service suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.