



Discretionary Housing Payments Policy

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1.Introduction

The Discretionary Housing Payments [DHP] scheme provides all Councils with discretion to top up the Housing Benefit statutory schemes. Every customer who is entitled to the minimum amount of Housing Benefit (HB) / Universal Credit Housing Element rental costs (UCHE-r) and requires additional financial help with housing costs that cannot be met by statutory schemes, is entitled to make a request for help.

The Benefit team will work with the local voluntary sector, working within our communities and landlords who are an important asset in providing homes.

The DWP DHP Guidance manual and Good practice offer advice to Local Authorities on how DHP can be used to provide support to customers affected by some of the key welfare reforms

The purpose of this policy is to specify how Mid Devon District Council will operate the scheme and to indicate some of the factors to be taken into account when considering if a DHP can be made. Each case will be treated strictly on its merits and all customers will be treated equally and fairly.

2. Objectives

DHP payments, in most instances, should be seen as a short term emergency fund.

The Council will consider making a DHP to customers who meet the qualifying criteria as specified in this policy. We will treat all applications on their individual merits, and will seek through the operation of this policy to:

- alleviate poverty;
- safeguard local residents in their homes and prevent homelessness;
- keep families together;
- support the vulnerable or the elderly in the local community;
- help customers through personal crises and difficult events;
- encourage and sustain people in employment;
- support young people in the transition to adult life;
- promote good educational outcomes for children and young people

3. Background

In July 2001, a scheme was introduced giving Councils powers to make Discretionary Housing Payments (DHPs) to top up the Housing Benefit and Council Tax Benefit Statutory Schemes.

This replaced the old scheme of exceptional circumstance and hardship payments, with a more widely available scheme to help with Housing costs, where Housing and Council Tax Benefit payments under the statutory scheme were insufficient.

Council Tax Benefit is replaced by a localised Council Tax Reduction (CTR) scheme from April 2013. This policy has been amended to reflect the amendments to the Discretionary Financial Assistance Regulations which ensure the scheme covers the

introduction of Universal Credit and the abolition of Council Tax Benefit. The amended policy is effective from April 2013.

From April 2013 when a person is getting a CTR but not HB or help with housing costs in Universal Credit (UC): i.e. when a person is only getting the local CTR, no DHP can be awarded.

The main features of the scheme are that:

- it is discretionary;
- a customer does not have a statutory right to a payment;
- the amount that can be paid by the Council in any financial year is cash-limited by the Secretary of State and may be reduced, or increased in subsequent years;
- the operation of the scheme is for the Council to determine, with a few specific exceptions;

DHPs are not payments of Housing Benefit. However there must be entitlements to the minimum amount of HB or UC including the housing element for rental costs (UCHE-r), for any period that a DHP is awarded.

The housing costs to which the DHP relates do not have to be the housing costs relating to the property for which benefit is awarded. For example, in some circumstances, DHP can be used for a rent deposit or rent in advance for a property that the claimant is yet to move into if the applicant is already entitled to HB or UCHE-r for their present home

4. Policy

4.1. Requesting a DHP

A request for a DHP must be made in writing on the official application form and signed by the customer.

The Council will help the customer complete the application form as necessary.

We may request any (reasonable) evidence in support of an application for a DHP. The customer will be asked to provide the evidence within one month of the request although this will be extended in appropriate circumstances.

The Council reserves the right to verify any information or evidence that the customer supplies in appropriate circumstances.

If the customer is unable to or does not provide the required evidence, we will still consider the application and will take into account any other available evidence including that held on the HB file or DWP systems.

We will explore the option of paying the landlord direct if it will secure or retain the tenancy and the rent is affordable so that DHP is no longer needed

We will work with the Council's homelessness prevention team in order to negotiate with the landlord a more affordable rent or assist with finding alternative accommodation

We will signpost the applicant to advice agencies that can provide advice on managing finances, where this could assist in providing a long term financial solution.

4.2. Period of Award

The Council will decide the length of time for which a DHP will be awarded on the basis of the evidence supplied and the facts known.

The start date of an award will normally be:

- the Monday after the written request for a DHP is received, or
- the date on which entitlement to HB or UCHE-r commenced (providing the application for DHP is received within one calendar month of the claim for HB/UCHE-r being decided), whichever is the earlier, or the most appropriate.

We will not usually award a DHP for a period exceeding 52 weeks.

Any reasonable request for backdating an award will be considered.

Payments will be limited to the current financial year.

4.3. Payment of Rent deposits and rent in advance

Before awarding DHP for rent in advance or a deposit we will require confirmations from the customer whether they

- are due to have a deposit or rent in advance for their previous tenancy returned to them
- they have received assistance from the council through a rent deposit guarantee scheme

The council will also consider whether the property is affordable for the tenants .Any amount for rent in advance will be restricted to the appropriate LHA rate.

Payments will be made to the landlord and information will be included about the landlords legal obligations to protect any deposit paid into a Government approved tenancy deposit protection scheme.

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Rent in advance or deposit will not be awarded when the move is into accommodation provided by a Not for Profit Registered Provider.

4.4. Awarding a DHP

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

- the shortfall between HB/UCHE-r and rental and liability;
- any steps taken by the customer to reduce their rental liability, such as seeking to take on more affordable accommodation;
- the financial circumstances of the customer, any partner, their dependants and other occupiers of their household;
- the income and expenditure of the customer, any partner, their dependents and other occupiers of their household;
- any savings or capital the customer or any partner, their dependents and other occupiers of their household;
- the level of indebtedness of the customer and their family;
- any medical issues, or other special needs, of the customer, partner or dependants, or other members of their household;
- the nature of the circumstances of the customer, for example where the customer has moved house in order to find more affordable accommodation and the fares to their place of work are now considerably higher;
- whether the circumstances of the customer are such that a DHP would not alleviate the problems of the customer within a reasonable period (say 12 months);
- the effect of the April 2012 and on-going changes to the LHA rates.
- the effect of the April 2013 Size Criteria changes for Social Housing Tenants.
- any other special circumstance we are aware of
- the amount available in the DHP budget (the Council's overall cash limit is determined by the Government);

An award will be conditional on the applicant doing all they reasonably can to find a long term solution to their financial shortfall. The Council will specify what actions the applicant must take in order to be considered for a future award. The applicant must commit to taking these actions prior to any award being made.

The Council will decide how much to award based on all the circumstances. This will be an amount between the liability and the amount of benefit already awarded.

An award of DHP does not guarantee that a further award will be made at a later date even if the customer's circumstances have not changed.

4.4.1 Size Criteria in the social rented sector

Priority will be given to those who:

- have had a property significantly adapted or need additional room to meet disablement needs
- have additional rooms for foster children in place and for a limited period between placements
- are taking the necessary steps to either downsize or take on a boarder/lodger, but see circumstances when a DHP will not be awarded in 4.5 below

4.4.2 The Benefit Cap

Priority will be given to those who can demonstrate that they are

- taking the necessary steps to help themselves and are working towards getting a job or additional income to meet the loss in HB/UCHE-r

4.4.3 Customers affected by Local Housing Allowance (LHA) restrictions

From April 2013 LHA rates will be updated annually in line with the Consumer Price Index (CPI) instead of being set every month in line with markets rents. The impact on this measure could result in customers having a greater shortfall if their landlords decide not to restrict their rents in line with LHA rates.

Priority will be given to customers affected by the reduction who are

taking the necessary steps to move to cheaper alternative accommodation, but see circumstances when a DHP will not be awarded in 4.5 below

4.5. Circumstances when a DHP will not be awarded

When a DHP application is received from a customer who cannot demonstrate that they are taking the necessary steps to help themselves i.e. they have not approached, or are not in continual engagement with relevant bodies that will help them.

When a DHP application is received from a customer who is not considered to be a settled resident in Mid Devon i.e. is not living and claiming HB/UCHE-r in the boundary area for Mid Devon Council.

DHP cannot be used to cover the following;

- shortfalls caused by HB overpayment recovery
- Increases in rent due to outstanding rent arrears
- ineligible service charges, or
- to minimise the effect of Jobcentre Plus sanctions,
- to make payment when HB/UCHE-r is suspended
- when a customer does not have a minimum entitlement of HB or UCHE-R

4.6. Changes of Circumstances

The Council may revise any award, either upward or downward, if the customers circumstances change.

Customers must report, in writing, any change in circumstance that might affect the amount of DHP they get.

Examples of these changes include:

- If they change address (or room if customer occupies a room only)
- If they leave their home temporarily
- If their income changes
- If the household make up changes

4.7. Payment of a DHP

We will decide the most appropriate person to pay based on the circumstances of each case. This includes:

- the customer;
- their partner;
- an appointee;
- their landlord (or an agent of the landlord);
- any third party to whom it might be appropriate to make payment.

We will pay an award of DHP by BACs.

Payment frequency will normally be made in line with the Housing Benefit or UCHE-r award

4.8. Notification

We will notify the customer the outcome of their request within fourteen days of making a decision.

Where the application is successful, we will tell the customer:

- the weekly amount of the award;
- the period of the award;
- the reason for the award;
- the method of payment;
- the conditionality, where appropriate, of the DHP award.
- the need to report changes of circumstances;

Where the request for a DHP is unsuccessful we will explain the reasons why the decision was made, and explain their right of appeal.

4.9. Review Process

DHPs are not payments of benefit and are therefore not subject to the statutory appeals process. Request for reconsideration will therefore be decided by the Council

We will operate the following policy for dealing with requests about either the decision not to make an award, the amount or duration of an award:

A customer (or third party) who wants an explanation of a DHP decision may request one in writing within one calendar month of notification of the DHP award.

A customer (or third party) who disagrees with a DHP decision may dispute the decision.

Any dispute may be made in writing or electronically, but must be made within one calendar month of the written decision about the DHP being issued to the customer.

Where possible we will try to resolve the matter by explaining the reasons for the decision to the customer either verbally or in writing.

Where agreement cannot be reached, the decision will be reviewed. The officer reviewing the decision will not have been involved in the making of the original decision. The review will be suspended if more information is needed from the customer.

The customer will have one month to respond to the request for further information, thereafter the review will be determined on the information held.

If it is decided that that the original decision should not be revised full written reasons will be supplied to the customer.

If the customer is still not satisfied the Council will convene a review panel of suitably qualified officers, for example the Benefits Manager, and any other appropriate officer (e.g. a senior officers from the housing or homeless department).

4.10. Overpayments

The Council will seek to recover any DHP found to be overpaid. Normally this will involve issuing an invoice to the customer or the person to whom the award was paid.

We will not normally seek recovery of any overpayment of DHP caused through our error.

A decision that a DHP is overpaid will be notified by decision letter. An appeal may be made against the decision.

We will allow an appeal against a decision that an overpayment of a DHP has been made. These appeals will be allowed on the following grounds only:

- the calculation of the overpayment;
- that the overpayment should not be recoverable as it was caused by Council error.

4.11. Fraud

The Council is committed to the fight against fraud in all its forms. Any customer who tries to fraudulently claim a DHP may have committed an offence under the Theft Act 2006.

If we suspect that fraud may have occurred, the matter will be investigated as appropriate and this could lead to criminal proceedings.

4.12. Publicity

We will publicise the scheme and will work with all interested parties to achieve maximum coverage in particular the Councils Housing , Housing Needs and Customer First services.

Information about the scheme will be posted on the Councils web site.

Various other methods such as including information on HB letters; leaflets; giving advice when customers discuss claims; making landlords aware of the scheme.

5. Monitoring

We will monitor the awards of DHP to ensure;

- The policy has been applied fairly and consistently
- The number of unsuccessful applications,
- The payment towards rent deposit and advance applications and how these claims link with other funding i.e. Local Welfare Assistance and CTR exceptional hardship.

In addition to the annual DWP DHP claim form the council will be required to provide a broad breakdown of expenditure. The monitoring returns will be submitted to the DWP twice a year.

The main reasons for the award should be recorded as detailed below:

- To support customer affected by the benefit cap
- To support customer affected by social sector size criteria
- To support customer affect by LHA reforms
- A combination of the reforms
- Any other reason (previously covered by DHP funding)