

POLICY DOCUMENT

DISCRETIONARY HOUSING PAYMENTS

Agreed: October 2005

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1 BACKGROUND

- 1.1 The Discretionary Housing Payments (DHP) scheme provides for 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.
- 1.2 The Department for Work and Pensions has produced a good practice guide for the administration of DHP; the policy takes note of this guidance. Consideration has also been afforded to recent changes within the wider welfare reforms.
- 1.3 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 by the Council in any financial year is cash-limited by the Secretary of State. The 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 Councils own finances.
 - The administration of the scheme is for the Council to determine with a few specific exceptions which are detailed in appendix a.
 - DHP is not a payment of HB or UC; however there must be entitlement to one of these benefits in the week a DHP is awarded for.
- 1.4 The funding for 2014-15 is made up of four elements to reflect recent changes to the Housing Benefit scheme;
1. General Fund
 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 those elements and the Council has discretion to make awards as it sees fit but will consider the funding methodology factors in its decision making process.

- 1.5 There is a range of financial welfare support available to meet a variety of different circumstances. The DHP fund is designed to provide support for those on low incomes secure affordable accommodation and provide short-term support for exceptional and unforeseen pressures that affect the claimant's ability to meet their rent liability which may be a result of changes in the health or the financial position of the members of the household.
- 1.6 The short-term nature of the fund is to provide capacity in terms of time and financial support for the household to seek further advice and make changes to their circumstances which will achieve longer-term sustainability of the accommodation that meets household needs and is affordable within the context of the HB scheme.

2 THE POLICY

General

- 2.1 The purpose of this policy is to specify how Harrogate Borough Council 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 Council is committed to working with the local voluntary sector, social landlords and other interested parties in the Borough to maximise entitlement to all available state benefits and this will be reflected in the administration of the DHP scheme.
- 2.2 The Council will consider making a payment of a DHP to claimants who meet the qualifying criteria as specified in this policy. The Council will treat all applicants on their individual merits, and will seek through the operation of this policy to:
- Alleviate poverty;
 - Safeguard residents of the district in their homes;
 - Help those who are trying to help themselves;
 - Keep families together;
 - Support transition of life events;
 - Achieve and maintain employment;
 - Prevent homelessness and reduce evictions
- 2.3 The Council 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 HB or UC legislation.

Making a claim

- 2.4 A claim for a DHP can be made in writing, by telephone or by means of an electronic notification using the Council's preferred application form.
- 2.5 The Council may request any reasonably required evidence in support of an application for a DHP and 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.
- 2.6 The Council reserves the right to verify any information or evidence provided by the claimant in appropriate circumstances.
- 2.7 If the claimant is unable to or does not provide the required evidence, without a satisfactory explanation for such failure, the Council will treat the application as lapsed.
- 2.8 In all cases, 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.

Making an award

- 2.9 An officer of the Council's Benefits Services team will make the decision on all DHP claims relating to rent shortfalls. An officer of the Council's Housing Options team will make a decision in relation to all DHP claims relating to the award of a rent deposit (see paragraph 2.17). The date of a an award will be made will usually be the Monday following the date the application is received although the Council has the discretion to set the period as it sees fit in relation to the circumstances of the applicant.

- 2.10 A DHP cannot be awarded for any period the customer has no entitlement to HB or UC.
- 2.11 DHP awards are designed to 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. The fund is not an appropriate mechanism to support circumstances which are not time-limited.
- the Council will usually award a DHP for not less than 13 weeks;
 - the Council will usually not award a DHP for a period exceeding 26 weeks
- 2.12 The maximum 26 week period may be exceeded by exception e.g. for benefit cap cases on occasion that it is more cost effective to maintain the current home than support a move to another property.
- 2.13 The benefits service may need to revise or revoke a DHP award where the customers' circumstances have materially changed. It is the customers' responsibility to notify the council as soon as any change occurs. Any amendment to the DHP award will be made in line with the change event and may result in an overpayment of DHP. Section 2.26 deals with the recovery of overpayments of DHP.

Single payments for moving home to affordable accommodation

- 2.14 The Council recognise the cost of moving can be prohibitive for low income households in the district. Provision is made within the policy to make single payments of a DHP of £500 to assist with the costs associated with moving to incentivise moving to more affordable accommodation. Payment under this provision is subject to meeting the following criteria;
- HB or the housing cost element of UC does not meet the full rent liability
 - The shortfall is causing severe financial hardship
 - Alternative accommodation has been secured which is more affordable; the shortfall between HB or UC and rent liability is less than at the current property
- 2.15 Payment under this provision will not be made unless the new tenancy has been signed and committed to. If the move does not take place the award will be treated as overpaid and subject to recovery as detailed in section 2.28 of the policy
- 2.16 Due to the limitation of the funding of the budget financing of single payments for moving to more affordable accommodation will be restricted to one fifth of the total DHP budget.

Rent Deposit Scheme

- 2.17 The Council recognise the problems faced by single people on low incomes in securing suitable and affordable accommodation. To mitigate the impact on citizens and service providers' payment of rent deposits may be made paid from the DHP fund. Qualification for rent deposits will be subject to the following criteria;
- There must be entitlement to HB or the housing cost element of UC at the beginning of the tenancy;
 - The applicant must show they do not have the ability through their own means to pay the required rent deposit;
 - The ongoing rent must be affordable without reliance on additional support outside of HB or UC;
 - Applicants must have a bank, building society, post office or Credit Union account capable of making direct debit or standing order payments. If no such account is in place an undertaking must be made to open a relevant account working with officers of the Council or relevant partners to do so.
- 2.18 Due to the limitation of the funding of the budget financing of single payments for moving to more affordable accommodation will be restricted to one quarter of the total DHP budget.

Repeat Awards

- 2.19 Repeat awards of DHP will not be made unless the claimant is able to demonstrate highly exceptional circumstances and is able to demonstrate they have tried to take steps to improve their circumstances. A single payment for moving costs cannot be made more than once in any 3 calendar year period from the date of the first claim. A single payment for a rent deposit cannot be made more than once in a 12 month period from the date of the first claim.

Matters for consideration

- 2.20 In all cases the claimant, partner and household members must demonstrate they have insufficient resources, through their income and capital, to meet the shortfall.
- 2.21 All decisions are subject to the level of funds being available. The fund will be managed to ensure that support can be provided throughout the year.
- 2.22 Other factors that may be taken into account are;
- Is the inability to meet the rent liability due to a change in the award of HB or UC due to welfare reform legislative changes?
 - The extent of the shortfall and any steps taken by the claimant to reduce their rental liability;
 - The likelihood of an imminent change of circumstances that will increase the level of the HB or UC award for example pregnancy where the addition of a child to the household would change the calculation of HB or UC or undergoing a medical treatment.
 - Is there a real risk of eviction because of the shortfall?
 - Is there a risk of homelessness or debt without additional support?
 - The impact of disability needs within the household on the accommodation requirements for which the benefit calculation does not make specific allowances
 - The medical circumstances of the household affecting their ability to move to cheaper alternative accommodation;
 - Has there been a recent change of circumstances, which has negatively impacted on the ability to meet a liability that was previously affordable?

- The level of indebtedness of the claimant and their family. DHPs are not to be provided to pay off other debts;
- Could the customer reduce other outgoings so that they can meet the shortfall? There is an expectation that other forms of support have been investigated and the customer has taken budgeting management advice
- Is this a repeat request for a DHP? If it is, what steps has the customer taken to try to alleviate the problem since the last application?
- The exceptional nature of the claimant and their family's circumstances;
- The length of time the DHP is being asked to support. It is not and should not be considered as a long term way around any current or future entitlement restrictions set out under legislation.
- If the DHP application is successful, what steps does the customer plan to take during the payment period to alleviate their position in preparation for when the payment ends?

Making payment

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

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

2.23 The Council will pay an award of DHP by the most appropriate means available in each case. This could include payment:

- by BACS transfer;
- by crediting the claimant's rent account;

The payment frequency will normally be made in line with how the HB or UC is paid.

Notification and Appeal

2.24 The Council will inform the claimant of the outcome of their application within 28 days of receipt. Where the application is unsuccessful, the Council will set out the reasons why this decision was made and explain the right of review. Where the application is successful, the Council will advise:

- the weekly 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

2.25 A DHP is not a payment of HB or UC and is not therefore subject to the statutory appeals mechanism. The Council 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;
- the dates DHP is awarded for; or
- a decision that there has been an overpayment of a DHP

2.26 A claimant (or their appointee or agent) who disagrees with a DHP decision may dispute the decision. A request for a review shall be delivered in writing to the Council within one calendar month of the written decision about the DHP being issued to the claimant. Where appropriate, Officers from the Council's Benefits or Housing Service will explain the DHP decision to the claimant by telephone, at interview or in writing and will seek to resolve the matter. If it cannot be resolved, the customer will have a further right of appeal, which will be considered by the Cabinet Member [Resources]. The decision would then be notified in writing and any appeal against the decision would be by way of an application for Judicial Review in the High Court.

Recovery of DHP

- 2.27 The Council will seek to recover any DHP found to be overpaid or paid under the rent deposit scheme to be returned at the end of a tenancy. Normally this will involve issuing an invoice to the claimant or the person to whom the award was paid. Careful consideration will be given on recovery of any overpayment caused by a Harrogate Borough Council "official error" to determine if the overpayment should be recovered. The appeals process set out in paragraph 2.26 will apply to decisions on recovery.
- 2.28 The method of recovery will usually be by way of an invoice which may be paid in full or a suitable arrangement to repay by regular instalments agreed. Recovery of a payment of DHP will not be made from any ongoing amounts of HB or UC due to the claimant.
- 2.29 In cases where the overpayment has been made as a result of an increase in HB entitlement the overpayment amount may be recovered in a lump sum from the revised HB entitlement.
- 2.30 A copy of this policy statement will be made available for inspection. Information about the amount spent will not normally be made available except at the end of the financial year.
- 2.31 The Council 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 Theft Act 1968. Where the Council's 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.

Endorsed by Councillor A Skidmore (Cabinet Member for Resources)
– 26 October 2005 (version 1)

Endorsed by Councillor Andrew Jones (Cabinet Member for Resources)
– 27 September 2006 (version 2)

Endorsed by Councillor Andrew Jones (Cabinet Member for Resources)
– 25 July 2007 (version 3)

Endorsed by Councillor Andrew Jones (Cabinet Member for Resources)
– 31 October 2007 (version 4)

Endorsed by Councillor Andrew Jones (Cabinet Member for Resources)
– 25 June 2008 (version 5)

Endorsed by Councillor Ivor Fox (Cabinet Member for Resources)
– 26 February 2013 (version 6)

Endorsed by Councillor Jim Clark (Cabinet Member for Resources)
– 18 March 2014 (version 7)

Endorsed by Councillor Richard Cooper (Cabinet Member for Resources)
– 25 March 2015 (version 8)

Housing Costs Excluded by Legislation from 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. **Increases in rent due to outstanding rent arrears:** A rental liability may be increased as a mechanism to recover arrears of rent however this increase does not form part of the rental liability that can be considered eligible for DHP award
3. **Sanctions and reductions in any welfare benefit:** DHPs cannot meet these because to do so would undermine the effectiveness of the sanctions or reduction in benefit.
4. **Benefit suspensions:** HB or UC can be suspended either because there is a general doubt about entitlement or because a customer has failed to supply information pertinent to their claim. In such cases, it would not be permissible to pay DHPs 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.
5. **Shortfalls caused by benefit overpayment recovery:** when recovery of an overpayment is taking place, such shortfalls should not be considered for a DHP.