

Discretionary Housing Payment Policy

Discretionary Housing Payments (DHPs) were introduced in July 2001 and are used by local authorities to provide financial assistance to claimants in receipt of housing benefit where it is considered that additional help with housing costs is required.

Housing costs are generally defined as a rental liability, but can also include other costs such as a rent deposits, rent in advance, other lump sum costs (e.g. removal costs).

DHPs may be awarded as a one-off payment or periodically for an appropriate period.

Discretionary Housing Payments (DHP) awards can only be made for periods when Housing Benefit or the Housing Support element of Universal Credit (HSUC) has been awarded.

A DHP can be requested by the person wishing to receive the award, by a third party, or be identified by Local Authority staff as a suitable option to support specific needs.

A form has been designed to gather the necessary information but a written request is acceptable and telephone, face to face or electronic requests are allowed. However we must act consistently regarding what is accepted.

We may wish to discuss an application in more detail to better understand the individual circumstances, and this may include a home visit. This helps us to consider individual financial needs and identify any other opportunities that may be available to help support those needs.

Third parties can request an award on behalf of others as long as the person receiving HB or HSUC has authorised that person to act on their behalf. This may be via the voluntary sector but could be family members or friends or exceptionally landlords. We are required to ensure that the landlord is acting on behalf of the tenant/resident and not themselves.

For every DHP request received a written response with reasons for our decision will be sent, including unsuccessful applications.

DHP awards can be back dated to any period HB or the HSUC in payment after the 2nd July 2001, there are no specific rules regarding backdates but the authority must apply the rules consistently.

DHP awards cannot be used to cover the following;

- Ineligible service charges – including most water charges
- Increases in rents where the increase as a direct result of outstanding arrears
- To clear arrears where a customer has not paid the shortfall due to Housing Benefit overpayment recovery.
- Any Council Tax liability

Discretionary Housing Payment Policy

- Reductions and losses in a benefit due to sanctions being imposed.
- Any amount of suspended Benefit.
- Shortfalls caused by recovery of overpaid HB or HSUC
- To pay above the rental liability when making up a weekly or monthly shortfall.

What can they be used for?

DHP awards can be used to cover shortfalls between the HB or HSUC awarded and the rental liability due. The shortfall may be caused by rent restrictions, income tapers or non-dependant deductions or some other relevant reason.

DHP awards can be used to pay towards a rent deposit or rent in advance scheme. Department for Works and Pensions(DWP) guidance confirms that the limit on DHP awards exceeding the rental liability only applies where the award is calculated as a weekly amount. If the DHP award is a lump sum, for example for rent in advance or a deposit, then the weekly limit does not apply.

As lump sum payments for rent in advance are not deemed to be in respect of a specific period it is not essential that the person claiming the DHP is in receipt of HB or HSUC for the whole period, they only have to be in receipt at the point the award is made.

An advance payment can also be made towards rent at a property in a different authority as long as the award is made when that person was in receipt of HB or HSUC in the original authority's area.

Once the DHP award for rent in advance or deposit has been awarded and used for that purpose legislation does not allow for it to be refunded.

DHP awards can also be made where HB or HSUC is payable on two homes – if there is a shortfall on both properties DHP up to the eligible rent level could be paid on both properties. If the customer is only treated as liable for payments on one dwelling but they have to pay rent on two properties a weekly DHP up to the eligible rent on the original property is also possible.

Extra DHP grant has been provided to help support changes made because of the Welfare Reform Act 2012, in particular the:

- Introduction of the benefit cap;
- Introduction of the social sector size criteria;
- Local housing allowance reforms.

Specific additional DHP grant funding to support foster carers and disabled people living in significantly adapted accommodation where they face a rent restriction due to under-occupation has been provided. These awards are discretionary and the Local Authority will consider every case based on the individual circumstances. DHP awards will be considered and, subject to suitable alternative arrangements being investigated, awarded where possible.

The regulations do not limit to the length of time over which a DHP may be made.

Discretionary Housing Payment Policy

Making the decision

Before an award is made the relevant officer dealing with the application must be satisfied that the applicant is entitled to HB or HSUC and that they require further financial assistance with their housing costs.

The decision will be made as quickly as possible to prevent rent arrears or possible homelessness. The wider Housing issue will be considered and discussed, where appropriate, with an appropriate Housing Options Officer before a decision is made. Consideration will be given to:-

- what an award of DHP will achieve;
- the consequences of not making the award; and
- whether any alternative support can be provided.

To ensure DHP funds are directed to those who most need them checks will be made that there is not an alternative course of action or funding.

The following will also be considered:

- Any steps taken to reduce the rental liability.
- The financial and medical circumstances of the claimant, their partner, dependants or their household.
- Income and expenditure of claimant and what steps have been taken to mitigate problems. There must be a consistent approach to how income and expenditure are treated
- Level of rent restriction and reason for the restriction.

Officers will always aim to work with applicants to identify other support that may be appropriate but DHP awards are not conditional and any decision will be based on a fair assessment of need.

Amount and period of award

If the DHP is to top-up a shortfall the amount paid in HB or HSUC the DHP must not exceed the weekly eligible rental liability.

The dates of the award will be made clear to the customer. Lump sum payments are not subject to this restriction. The awards will be made for appropriate length of time based on individual circumstances.

Before agreeing a deposit or rent in advance checks will be made as to whether payment to a third party is more appropriate.

Decision Notice

A written decision notice will be sent to every applicant, including unsuccessful applications and will include information on:

- the amount of the award,
- purpose of the award,

Discretionary Housing Payment Policy

- period of the award,
- appeal rights, and
- other sources of advice and assistance.

Where possible this will all have been explained via a face to face discussion as part of the dialogue we aim to have with customers.

Payment

DHP awards will normally be paid along with the HB or as a separate payment in the case of HSUC. For lump sum payments separate payments may be made.

Overpayment

DHP awards can be recovered but only by recovery from the customer. Deduction from on-going HB or HSUC is not allowed to recover overpaid DHP. A separate decision will be made as to whether overpaid DHP should be re-paid, which will depend upon the circumstances that led to the overpayment.

Disputes

A decision can be reviewed if there is a dispute. Someone other than the original decision maker will review the case. However the independent Tribunal service cannot be used as they do not have the power to make decisions on these cases. We must be consistent with our approach. The applicant should make a request, preferably in writing, within one month of the date of the decision notice, asking that the decision is looked at again and why the decision is considered to be incorrect. The time period can be extended if thought appropriate.

Monitoring arrangements

Regular monitoring of the DHP fund is essential to ensure funds are available throughout the relevant financial year. Reports monitoring expenditure patterns will be analysed on a regular basis.

To identify demand and to meet DWP requirements the following information is required and recorded for each award:

1. Has the applicant been affected by one of the key welfare reforms:
 - the benefit cap;
 - social sector size criteria;
 - LHA reforms; or
 - a combination of reforms.
2. The total amount paid to the applicant.
3. What is the broad or main outcome expected from that award:
 - To help secure and move to alternative accommodation (e.g. rent deposit).
 - To help with short-term rental costs until the claimant is able to secure and move to alternative accommodation.
 - To help with short-term rental costs while the claimant seeks employment.
 - To help with on-going rental costs for foster carer.

Discretionary Housing Payment Policy

- To help with on-going rental costs for disabled person in adapted accommodation.
- To help with short term rental costs for any other reason.