

Discretionary Housing Payment Policy

I. Policy Objectives

The Benefits Service is committed to working with the local voluntary sector, social landlords and other stakeholders in the Forest of Dean District Council to maximise entitlement to all available benefits and this is reflected in the administration of the Discretionary Housing Payment (DHP) scheme.

The DHP policy is intended to contribute towards the following outcomes:

- alleviate poverty;
- support vulnerable young people in the transition to adult life;
- support people into employment and sustain people in employment;
- tenancy sustainment and homelessness prevention;
- keep families together;
- support vulnerable residents in the local community;
- support people through difficult life events.

To complement our approach in achieving these objectives the Local Authority needs to adopt a broader, innovative approach to the administration of Housing Benefit and the housing component within Universal Credit and Council Tax Support. Examples are:-

- paying the landlord direct where they agree to reduce the rent on a property to an affordable level;
- maximising a customer's income through effective welfare benefit take up and signposting where appropriate;
- reducing a customer's expenditure by active participation with a Client Support Officer. In most cases we may only consider awarding a DHP after confirmation from the Client Support Officer that the customer has pro-actively made an effort to reduce the household expenditure;
- reducing the weekly overpayment recovery amount for customers with outstanding overpaid Housing Benefit debts;
- renegotiating Council Tax instalment plans to ensure payments are affordable.

All of these initiatives must be considered before a DHP is awarded. They can also be considered in conjunction with a DHP award. Each DHP will be considered on a case-by-case basis.

2. Criteria

DHPs may be awarded in the following circumstances:

- reductions in Housing Benefit/Universal Credit Housing Costs for under-occupation in the social rented sector, paying particular attention to those customers with disabled children who are unable to share a bedroom and for customers who have had disability adaptations to the property and those families where children live between two households;
- reductions in Housing Benefit/Universal Credit Housing Costs as a result of Local Housing Allowance restrictions;
- a rent shortfall to prevent a household becoming homeless whilst Housing Services explores alternative options;
- where a Valuation Office Agency decision results in the maximum rent being restricted;

- where non-dependant deductions reduce the level of Housing Benefit/Universal Credit Housing Costs payable;
- where a rent deposit or rent in advance is required for a cheaper/alternative property that the customer is yet to move to. They must already be entitled to Housing Benefit/Universal Credit Housing costs to qualify under this criterion;
- in certain circumstances, to help towards arrears of rent to help secure the tenancy;
- in certain circumstances, consideration will also be given to those who have experienced benefit reductions as a result of the Benefit Cap being applied. Such consideration will only be given where the Council is confident that any Discretionary Housing Payment will only be required for a short period of time whilst the customers review their finances and are able to bring any capped amount to a level manageable within their household income.
- Where a Universal Credit claimant would have been entitled to UC Housing costs were it not for the fact that the claimant occupied specified or temporary accommodation, if considered appropriate

DHPs will not be awarded in the following circumstances:-

- ineligible service charges, for example, water rates or support charges;
- increases in rent payable due to outstanding arrears;
- where reductions apply to any benefit as a result of sanctions to Job Seeker's Allowance, Child Support or Housing Benefit as a result of certain benefit related offences;
- if Housing Benefit/Universal Credit is currently suspended.

3. Administration

DHPs will be administered by a Benefit Officer/Client Support Officer within Revenues and Housing Support Services. DHPs can only be awarded where the customer has an entitlement to Housing Benefit or the housing component of Universal Credit. Where there are concerns that the applicant is threatened with homelessness, needs assistance to negotiate a lower rental payment or needs help to secure alternative rented accommodation, a referral will be made to Housing Services.

DHP decisions will be made in accordance with the principles of good decision-making, as referred to within the DWP Guidance Manual 2016 and Decision Makers will act fairly, reasonably and consistently. The level of award may cover all or part of the shortfall or assist with the cost of starting or retaining a tenancy.

4. Applying for a DHP

The Council will accept an application from the Housing Benefit or Universal Credit customer or somebody acting on behalf of the person concerned, such as an appointee. All claims for a DHP must be made in writing using the prescribed application form by the customer (or appointee) and returned to the Council's Revenues and Housing Support Service. If a customer has difficulties completing a form, they can be interviewed at the Council Offices or, if necessary, a welfare visit can be arranged.

Upon receipt of an application for DHP, the Client Support Officer will carry out the following preliminary checks:-

- ensure that Housing Benefit or Universal Credit Housing Costs is in payment;
- confirm the amount of the shortfall between the level of benefit and the eligible rent;
- the Client Support Officer will contact the customer, and arrange a visit if appropriate, to obtain additional information regarding expenditure that will be required to make a full determination and to discuss ways forward to reduce bills/loans; move to more appropriate accommodation

When all the information has been obtained the Client Support Officer will calculate the customer's total income including the amount of Housing/Council Tax Support and Universal Credit awarded. Most income is taken into account within the assessments. However, some awards of Attendance Allowance, Disability

Living Allowance and Personal Independence Payments may be disregarded. Each case will be looked at on its own merit and we may need to request further information to establish if these payments are able to be disregarded.

5. Rent Deposits and Rent in Advance

The Department for Works and Pensions' (DWP) guidance states that this can be considered if the customer is in receipt of benefit at the old address. In the first instance, customers in privately-rented accommodation will be referred to the Housing Department. However, because of the amount of money involved, any awards should be kept to a minimum as they can impact severely on the overall DHP fund.

6. Awarding a DHP

In deciding whether to award a Discretionary Housing Payment, the Benefit Officer/Client Support Officer will take into account:-

- the income shortfall or the shortfall between Housing Benefit/Universal Credit Housing Costs;
- any steps taken by the customer to reduce their rental or Council Tax liability;
- the financial and medical circumstances of the customer, their partner and any dependants and any other occupants of the customer's home;
- the exceptional nature of the customer and their family's circumstances;
- the Benefit Officer/Client Support Officer's findings and their recommendations;
- the level of indebtedness of the customer and their family;
- the level of savings or capital that may be held by the customer/partner;
- the amount available in the Discretionary Housing Payment budget at the time of the application;
- the Council's duty to prevent homelessness;
- any other exceptional circumstances.

Each application will be considered on its own merits, taking into account any relevant information provided by the customer. An award of a DHP does not guarantee that a further award will be made at a later date even if the customer's circumstances have not changed. In case of exceptional circumstances which may require long term DHP, the customer will be required to provide all the standard information as well as providing medical evidence to make the final determination.

7. Period of the DHP Award

The Council will:

- consider the individual circumstances of the case when deciding on whether to make a DHP award;
- take into account whether the property has been adapted for the needs of a disabled person;
- make awards that do span different financial years, where appropriate;
- the maximum award period each year must be within the current financial year i.e. 1st April to 31st March
- consider any reasonable requests for backdating an award of a DHP;
- notify the customer of the period of the award;
- pay a DHP for a minimum period of one week.

8. Changes of Circumstances

The customer has a duty to inform the Council of any change of circumstances. Many of the changes which affect a customer's Housing Benefit or Universal Credit Housing Costs may also affect their DHP award. The Council will use such information to review the level of the DHP award.

9. Method of Payment

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

- the customer;
- a partner;
- an appointee;
- a landlord (or an agent of the landlord);
- a third party.

If the customer is in arrears with their rent to safeguard their tenancy, consideration must be given to paying the landlord direct.

DHP awards will be paid by the most appropriate means available in each case. This may include payment:-

- by electronic transfer (BACS);
- by cheque.
- By Northgate system administration

The payment frequency will normally mirror the frequency of the Housing Benefit/Universal Credit award.

10. Notification

The Benefit Officer/Client Support Officer will aim to inform the customer of the outcome of their application within 28 days of receipt of all supporting information. The customer will be advised of the following:-

- the weekly amount of DHP awarded;
- the period of the award;
- conditions of the award;
- how, when and to whom the award will be paid;
- the requirement to report a change in circumstances.

11. Refusal of a DHP

The Benefit Officer/Client Support Officer will send a letter/email to the customer explaining in detail the reasons for the decision. Offer of assistance through the Client Support Officer. The decision may be reviewed for customers who show a genuine desire to reduce their outgoings and are making an effort to do so.

If a home visit or an office interview has been arranged and the customer has refused to co-operate, the DHP will not be awarded and a letter to that effect will be sent to the customer.

12. The Right to Review

DHPs are not payments of Housing Benefit/Universal Credit Housing Costs and, as such, are not subject to the statutory appeals mechanism. The customer must be notified of the decision of the DHP claim in writing giving the customer one calendar month to request a review if they do not agree with the decision. The letter issued will clearly explain the reasons behind the decision.

Although there is no formal appeals process, if a request for a review is received it will be referred to the Benefits Manager who will review the case. The customer will be notified of the outcome of the review in writing clearly stating the reasons for the decision. If the customer remains aggrieved at an unfavourable decision the case will be passed to the Business Service Manager for further consideration.

13. Overpayments of DHPs

The Council will endeavour to recover overpaid DHPs if the overpayment is as a result of misrepresentation or failure to disclose a material fact, fraudulently or otherwise, or if an error was made when the award was determined. If it is decided that a DHP should be recovered then this will be done through the Sundry Debt system by issuing an invoice.

DHPs are not an award of Housing Benefit or Universal Credit and cannot be recovered through the same channels open to Housing Benefit overpayment recovery.

14. Monitoring and Review

The Benefit Officer/Client Support Officer may set a review date for a DHP award, which may coincide with a perceived change of circumstances.

The Benefit Manager will provide a monthly report to the Business Service Manager and Group Manager on the number of awards made and the expenditure to date.

The DWP also requires the Local Authority to record statistical information regarding the awards of DHPs. The information should be collated and will be gathered using a return form that will be issued to Local Authorities twice a year.

15. Fraud

The Council is committed to the prevention and detection of fraud and the protection of public funds. Cases of suspected fraud will be investigated by Compliance Officers and this may result in criminal proceedings being instigated.

16. Summary

DHPs are not an award of Housing Benefit or Universal Credit and, by their very nature, are awarded at the discretion of the Council. This policy aims to clarify some of the main issues surrounding the administration of DHPs and, at the same time, reaffirms that all applications are treated on their own individual merits.

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