

Watford & Three Rivers Councils
Revenues & Benefits Shared Service

Revised
Discretionary Housing Payments
Policy

Effective 1st April 2015

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1. Introduction

- 1.1 Discretionary Housing Payments are available to anyone (providing they meet the basic criteria) who does not get maximum Housing Benefit (HB) and still needs extra help with their housing costs i.e. eligible rent.
- 1.2 The general provisions for Discretionary Housing Payments (DHP) are contained in Regulation 2(1) of the Discretionary Financial Assistance Regulations 2001.
- 1.3 Discretionary Housing Payments are **not** payments of benefits but are “free-standing payments” made in addition to HB at the discretion of the local authority. They are partially funded by the Government but are subject to an annual cash limit. Local authorities are able to award them in cases where they consider that additional help with housing costs is needed.
- 1.4 The amount of the Government Contribution towards DHP for each authority is allocated on an annual basis and is based on previous years expenditure by each authority and the overall spend of the national DHP budget.
- 1.5 The table below shows the budget and expenditure for 2013/14 :

	2013/14 budget	2013/14 spend	% spent
Watford	£216,854.00	£164,132.00	75.7%
Three Rivers	£155,415.00	£116,611.00	75.0%

- 1.6 The allocation for the current year, 2014/15 has reduced marginally compared to the actual previous years underspend. The 2014/15 budgets are as follows:

	2014/15 budget	budget reduction from 2013/14	Anticipated spend by year end
Watford	£208,470.00	-4%	95%- 100%
Three Rivers	£145,605.00	-7%	95%-100%

- 1.7 The DWP have now advised us of our allocations for 2015/16 which shows a significant decrease in funding, which has resulted from the introduction of a new funding formula. Any spend above the Government Contribution will have to be funded by the individual respective authority.

	2014/15 budget	2015/16 budget	Reduction from previous year
Watford	£208,470.00	£143,518	-31%
Three Rivers	£145,605.00	£95,788	-34%

1.8 The council does not anticipate that Discretionary Housing Payments should be awarded on a long term basis and expects recipients to co-operate fully with officers from the council and our partner agencies in finding a sustainable solution to their housing costs/situation.

2. Aims of the Policy

2.1 The aim of the Council's policy is to distribute funding granted under the discretionary housing payment scheme in an equitable way; to meet given criteria, to ensure that budgets are managed effectively and to promote the following objectives:

- the prevention of homelessness
- alleviate poverty;
- support vulnerable young people in the transition to adult life;
- encourage residents in both authorities to seek and retain employment;
- safeguard residents in their homes;
- help those who are trying to help themselves;
- support the transition into work
- keep families together;
- support the vulnerable in the local community;
- help claimants through **short term personal** and **financial** crises and difficult events.

2.2 The use of a DHP will be to provide a temporary short term arrangement which will enable a claimant to arrange a more sustainable and long term affordable financial solution.

2.3 A DHP is not and should not be a means of circumventing the housing benefit rules (such as benefit cap and must be seen as being a "means to an end").

3. What can be covered by DHP?

3.1 A DHP may be awarded to cover the following:

- The shortfall in the difference between eligible rent and a Rent Officer Decision
- Reductions in HB entitlement following changes to the LHA rates from April 2011

- Reduction in HB entitlement following changes introduced in the Housing Benefit (Amendment) Regulations 2012 (“Bedroom Tax”)
- Reduction in HB as a consequence of the Benefit Cap
- The effect of the 65% taper used in calculating HB
- Non dependant deductions – however, there is an expectation, that the non-dependant is actively seeking work or themselves seeking alternative accommodation
- Increases in essential work-related expenditure such as increased fares to work if the claimant has had to move because they could not afford to live near to their workplace because their LHA rate reduced
- Rent in advance
- Rent Deposits (in exceptional circumstances only as a Bond will normally be secured through housing)

4. What cannot be covered by DHP?

4.1 A DHP cannot be awarded for any of the following:

- Ineligible service or support charges
- Increases in rent to cover rent arrears
- Reductions in any benefit as a result of sanctions imposed by the DWP
- HB that is suspended
- “top-up” to Local Council Tax Reduction
- Shortfall in benefit arising from an overpayment caused by claimant error
- Shortfall in benefit arising from an overpayment caused by fraud

4.2 In addition, only one DHP payment can be made in respect of Rent Deposit in any 12 month rolling period, unless a move is required due to Domestic Violence, Anti-Social behaviour caused by a neighbour/others, or on the advice of the Council’s Housing department.

5. The basic criteria

5.1 To be able to make an award of a DHP, the following criteria needs to be met:

- The claimant **must** be entitled to some HB (minimum award of £0.50 per week)
- The local authority is satisfied that the claimant needs further help with housing costs. Housing costs generally mean rent but can cover, Rent in advance and rent deposits
- Other associated lump sum costs i.e. removal costs
- The local authority must **not have exceeded** its overall cash limit unless separate provision has been made.

6. Making a claim

6.1 A DHP can be claimed by the claimant, an appointee or other representative. A DHP claim form and financial statement must be completed in all cases. The DHP claim form **must be** signed and by the claimant in all cases, other than where there is a registered agent or appointee.

6.2 The claimant **must**:

- Provide enough financial and supporting documentary evidence and information to enable a decision to be made regarding whether or not extra help is needed with their housing costs.
- Tell us about any changes of circumstance that may be relevant to their continuing receiving DHP.

7. Claim dates and back date requests

7.1 A claim for a DHP can only apply to the current financial year – usually 1st April through to 31st March. A DHP cannot be retrospectively awarded for previous years.

7.2 Claims should be made by claimants as soon as the need arises and will usually be paid from the date of the DHP application. Claims will only backdated where the sufficient budget exists to fund the DHP.

7.3 Initial awards of DHP will usually be for a maximum of 4 months and in any case will not exceed 6 months. Subsequent awards will then be reviewed every four months to ensure

- The claimants circumstances have not changed
- They have been proactively managing their circumstances to reduce their financial dependence on a DHP

7.4 Requests for a DHP are considered by the Benefits Manager and/or Benefits Team Leader. The following factors will be considered when determining an award and all applications for DHP will be treated on their individual merits. The authority will consider:

- how the award will meet the objectives above (paragraph 2)
- the shortfall between Housing Benefit and the liability.

7.5 In determining the amount of DHP that may be awarded, the Council will undertake a **full** review of the claimants financial and other circumstances and will take into account some or all of the factors listed below (though the list is neither exhaustive or prescriptive) :

- any steps taken by the claimant to reduce their rental liability such as evidence of discussion with their landlord or evidence they are looking for cheaper accommodation;

- That they have not renewed or extended a tenancy agreement since claiming housing benefit on the same terms which continues to result in a financial shortfall between what they receive in benefits and what the rent amount is. In these cases, Housing will be informed about a potential risk of homelessness arising.

7.6 If the shortfall is as a result of “the Bedroom Tax”, the Council will in addition review if any of the following courses of action have been taken:

- An application has been made for a transfer / exchange to a smaller sized property
- If an offer of other accommodation has been made and refused, then it is **unlikely** a DHP will be awarded
- If a boarder / lodger has moved in
- The contribution made by non-dependants (if appropriate)
- The age of family members and the consequent proximity to a “trigger” date that would affect the size criteria within the following 12 months
- Whether it is reasonable given the tenant’s circumstances (disability, adaptations made to property etc) to expect that tenant to move. Medical evidence will always be sought in these cases and the level of adaptations made are directly linked to the disability and over and above adaptations which would otherwise be expected.
- Additionally, advice will also be sought from housing regarding whether a mover to an appropriate property could be facilitated using the Disabled Facility Grant allocation. Receipt of a disability related benefit (DLA/Mobility Allowance) does not automatically mean this criteria has been met.

7.7 The council will in addition specifically review the following financial information

- the potential for assistance being available from alternative sources, i.e. other state benefits which are available but have not been applied for, by way of a referral to the CAB for debt Management Advice
- that the correct Housing Benefit award has been granted and that factors such as correct non-dependent deduction or 13 week/52 week or 9 month transitional protection has been granted.
- the financial and medical circumstances (including ill health and disabilities) of the claimant, their partner and any dependants and any other occupants of the claimant’s home; (see section 7.5 above)
- the income and expenses of the claimant, their partner and any dependants or other occupants of the claimant’s home; the Council may request to see evidence of banks statements for the claimants and other household members. In addition the Council will also consider whether any expenditure is non-essential, for example (the list is not exhaustive)

- subscriptions to Sky or other cable channels
- memberships of gyms and/or other clubs
- expenditure on alcohol and tobacco products
- number of cars in the household
- any savings, bonds, ISAs or capital that might be held by the claimant or their family which could be cashed in to release equity;
- the level of indebtedness of the claimant and their family; evidence of arrears, debts must be provided

7.8 The Council will also consider the following exceptional factors:

- The exceptional nature of the claimant and his / her family's circumstances
- the ability to move, eg due to fleeing domestic violence?
- The availability of alternative accommodation anywhere within the District, which will be determined in consultation with Housing and will include the availability of social and privately rented accommodation
- Advice from the police, social services and other recognised government agencies

7.9 The Council having assessed the needs of the applicant must also consider the following factors :

- 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
- how an award can make best use of limited resources available to the authority
- any other special circumstances brought to the attention of the Benefits Service.

8. **Amount and Duration of DHP**

8.1 The amount and duration of the award are at the discretion of the Local Authority however, the total weekly amount of any DHP together with the award of HB must not exceed the weekly eligible rent.

8.2 The level of award will be decided based on all relevant circumstances. It may be the full shortfall between HB and eligible liability or any value below that sum.

8.3 The start date of a DHP should be based on the circumstances of the claim and the following considered:

- The start of the Housing Benefit Claim
- The date of the DHP claim

- The date of any rent increase
- The date of any significant change in circumstance, e.g. change in household, income, illness etc

8.4 When deciding on the length of the award the following should be considered:

- The council's expectations are that claimants will work proactively with the council and our partner agencies to source an alternative, sustainable housing solution and end reliance on DHP
- The circumstances of the household
- The amount of DHP awarded
- The tenancy end date
- The length of required notice
- The Rent Officer or LHA anniversary date
- The ability to move
- Any forthcoming significant changes or life events, e.g. baby due, debt repaid, etc
- The amount of DHP available to spend below the permitted total.

8.5 Awards that are made for a longer period of time will be reviewed every 6 months with support assistance offered with sourcing more affordable accommodation where possible.

8.6 Where an application for a DHP has been made and the form has not been returned or completed or the award of DHP has not been successful, then information about these claimants will be automatically referred to Housing. The purpose of this referral is to allow Housing an opportunity to engage with residents who might otherwise become homeless.

9. **Method of Payment**

9.1 The payment can be made to the person entitled to HB or to someone else if appropriate. The most appropriate person to pay will be decided upon having considered the circumstance of each case (and the views of the applicant?).

This could include:

- The claimant
- Their partner
- The landlord
- An appointee
- Any third party, e.g. guarantor

9.2 Payment will be made by direct payment via BACS. The pay frequency will usually be made in line with how Housing Benefit is paid.

10. **Changes in Circumstances**

- 10.1 Any changes in circumstance must be notified and DHP awards can be revised whenever it is felt appropriate to do so. There may be instances other than a change of circumstance when DHP should be stopped, e.g. it is decided that a material fact has not been disclosed, fraudulently or otherwise.
- 10.2 An award of DHP does not guarantee that a further award will be granted at a later date even if circumstances have not changed.

11. **Notification of Awards**

- 11.1 The authority must supply written notification to claimants of decisions and reasons for decisions in relation to DHP. These notifications will be supplied within 7 days or as soon as practicably possible.
- 11.2 Where the application is successful or partly successful the notification will include the following:
- The weekly amount of DHP awarded
 - The period of the award
 - Full reasons as to why it was awarded
 - How, when and to whom it will be paid
 - The requirement to report changes in circumstances
 - The right of appeal

 - Any requirements on the part of the applicant to take action e.g. to seek to downsize their property, to seek employment opportunities, to seek debt advice.
- 11.3 Where the application is unsuccessful the notification will include the following:
- Full reasons why an award has been refused
 - The right of appeal
- 11.4 There is no regulation requirement to notify a landlord of a DHP decision but it is good practice to tell them the amount of a DHP.. If Housing have been involved in the case, they will also be informed of the decision.

12. **Appeals**

- 12.1 There are no formal appeal rights as DHP are not payments of HB and so are not subject to the normal statutory appeals mechanism. This means they cannot be referred to the Tribunal Service. However, the LA may review a decision.
- 12.2 An internal review process has been set up to deal with disputes against DHP decisions as follows:

- DHP appeals must be made in writing and received within 1 calendar month of the written DHP decision being issued to the claimant
- Appeals received outside of 1 month can be considered in exceptional circumstances
- Appeals will be considered by the Head of Revenues & Benefits who may refer to colleagues from the respective authority's Housing Department and review the original decision within 10 working days or as soon as practicable possible.
- Unless a change of circumstance has occurred, the result of the appeal will not make a reduction to the award already notified.

12.3 If the appeal is successful a new notification will be sent giving full reasons and details of the new decision. If the original decision is unchanged, notification giving full reasons as to why will be sent within 10 working days or as soon as practicably possible.

12.4 There will be no further right of appeal.

13. **DHP Overpayments**

13.1 All DHP overpayments can be considered recoverable unless caused by official error. However, it may not always be appropriate to recover DHP recoverable overpayments. The Benefit Manager of the Head of Revenues and Benefits may decide not to pursue recovery.

13.2 Notifications of recoverable DHP that are going to be recovered must be issued giving full details of the overpayment and appeal rights. Normally recovery will involve an invoice being issued and further recovery procedures followed, i.e. reminder, final notice, etc

13.3 DHP overpayments **will** normally be recovered from on-going HB/CTR unless this method of recovery is specifically **not** requested in writing by the HB/CTB claimant.

14. **Publicity**

14.1 The DHP scheme is publicised in the HB notification letters. It is also publicised on the Council's web site. The publicity will make clear the council's expectation that DHP is not a long term solution and proactive work will be required to end dependence on it.

15. **Recording of Decisions**

15.1 The DWP have indicated that details of recording arrangements will be announced to help show how the DHP awards have been used to support those affected by welfare reforms.

15.2 In addition to this, we shall also keep our own monitoring data to measure the effectiveness of the policy in addressing any inequalities.

Version Control

Version Number	Date	Reason for Update	Made by
0.1	22/11/14	Original Draft	RDS
0.2	1/12/14	Housing comments incorporated from Rachel Dawson (WBC)	RDS
0.3	3/12/14	Kimberley Grout and Andy Stovold comments included (TRDC)	RDS
0.4	5/12/15	Circulated to WCHT and Thrive Homes	RDS