

**Watford & Three Rivers Councils**  
**Revenues & Benefits Shared Service**



**Discretionary Housing Payments Policy**

**April 2013**

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## **1. Introduction**

The general provisions for Discretionary Housing Payments (DHP) are contained in Regulation 2(1) of the Discretionary Financial Assistance Regulations 2001.

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.

It is important to remember that Discretionary Housing Payments are **not** payments of benefits but 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.

The amount of the Government Contribution towards DHP for each authority for 2013/14 is:

Three Rivers	£155,415
Watford	£216,854

Any spend above the Government Contribution will have to be funded by the individual respective authority.

## **2. Aims of the Policy**

To distribute funding granted under the discretionary housing payment scheme in an equitable way to meet given criteria, 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 personal crises and difficult events.

The use of a DHP will be to provide a temporary arrangement which will enable a more sustainable or affordable solution. This will include offering

help and support to remove the need for a DHP, for example by “downsizing” (with the assistance of Registered Providers), renegotiating rents with private landlords and signposting towards employment opportunities.

### **3. What can be covered by DHP?**

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
- 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
- A shortfall in HB in cases where HB can be paid on two homes (for example if a person has had fled domestic violence)
- Additional support needed to assist foster carers and prospective adoptive parents

### **4. What cannot be covered by DHP?**

DHP cannot be awarded towards 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
- HB that is suspended
- “top-up” to Local Council Tax Reduction

### **5. The basic criteria**

To be able to make an award 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\*
- The local authority must not have exceeded its overall cash limit unless separate provision has been made. Any unspent Government funding must be paid back.

\*Housing costs generally mean rent but can cover:

- Rent in advance
- Deposits
- Other associated lump sum costs i.e. removal costs

## **6. Making a claim**

There must be a claim for a DHP and this can be in whatever manner the Local Authority approves, e.g. in writing ( either in a letter or by completing one of our own forms), in person, by telephone or e-mail. We are able to invite claims where appropriate.

To ensure that we capture as much information as possible, both authorities prefer that an application form is completed.

A DHP can be claimed by the claimant, an appointee or other representative.

Requests for a DHP are considered by The Benefits Manager for the Shared Service in collaboration with the Housing Demand Manager (Watford) or Housing Needs Manager (Three Rivers). In her absence, decisions may be made by either of the Benefits Team Leaders..

The claimant must:

- Provide enough 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.

There are no prescribed time limits for claiming a DHP or rules about the date of claim, when payment should start or end, or backdating

## **7. Factors to consider when determining an award**

All applications for DHP will be treated on their individual merits.

In deciding whether to award a DHP, the authority will consider:

- how the award will meet the objectives above (paragraph 2)
- the shortfall between Housing Benefit and the liability;
- any steps taken by the claimant to reduce their rental liability;
- If the shortfall is as a result of “the Bedroom Tax”, 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 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
- Whether it is reasonable given the tenant’s circumstances (disability, adaptations made to property etc) to expect that tenant to move.
- the potential for assistance being available from alternative sources, i.e. other state benefits available on application;
- In cases where the “Benefit Cap” has been applied, the steps that the claimant has taken to address the issue such as engagement with Jobcentreplus, actively seeking cheaper accommodation etc.,
- 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;
- the income and expenses of the claimant, their partner and any dependants or other occupants of the claimant’s home;
- any savings or capital that might be held by the claimant or their family;
- the level of indebtedness of the claimant and their family;
- the exceptional nature of the claimant and his / her family’s circumstances and the impact that any cultural or racial considerations may have;
- If there is a need for additional support as the family are foster carers, prospective foster carers or prospective adoptive parents.
- The ability to move, are they fleeing violence?
- The availability of alternative accommodation
- 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**

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.

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.

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

- The start of HB
- 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
- Backdating can be considered

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

- 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.

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

## **9. Method of Payment**

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. This could include:

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

Payment will be made by either cheque or direct payment via BACS.

The pay frequency will usually be made in line with how Housing Benefit is paid.

## **10. Changes in Circumstances**

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. 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**

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.

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

Where the application is unsuccessful the notification will include the following:

- Full reasons why an award has been refused
- The right of appeal

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.

## **12. Appeals**

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.

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 7 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.
- 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 7 days or as soon as practicably possible,.
- There will be no further right of appeal.

### **13. DHP Overpayments**

All DHP overpayments can be considered recoverable unless caused by official error. However, it may not always be appropriate to recover DHP recoverable overpayments. Team Leaders or more senior officers may decide not to pursue recovery.

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

DHP overpayments will not be recovered from ongoing HB/CTB unless this method of recovery is specifically requested in writing by the HB/CTB claimant.

It is important when benefit officers are cancelling or amending a claim which has a DHP to bring it to the attention of their team leader. If, following the team leaders reconsideration, there is an overpayment of DHP an invoice must be raised for this amount even if there is ongoing benefit.

### **14. Publicity**

The DHP scheme is publicised on the HB notification letters. It is also publicised on the Council's web site.

## **15. Recording of Decisions**

Records of awards shall be recorded in accordance with the request made by the DWP in Circular A11/2013.

This will be under one of the following categories:

- Benefit cap
- Removal of Spare Room Subsidy in Social Sector (Bedroom Tax)
- LHA Reforms
- Combination of Reforms
- No Impact

Together with a record of the broad or main outcome expected:

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

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

## **16. Version Control**

Version Number	Date	Reason for Update	Made by
0.1	16.07.12	Original Draft	PA
0.2	05.12.12	Revisions to allow for Bedroom Tax / Benefit Cap	PA
0.3	21.02.13	SSMT Comments 21/02/13	PA
0.4	27.02.13	WBC Housing Comments	PA
0.5	05.03.13	WBC Leadership Comments	PA
0.6	08.04.13	Revised DWP Guidance Manual & A11/2013	PA
1.0	19.04.13	Final 2013 version	PA