



# **Dudley Metropolitan Borough Council**

## **Discretionary Housing Payments Policy**

**From April 2017**

## Table of Contents

1. Background
2. Finance
3. Statement of objectives
4. Claiming a DHP
5. Period and level of award
6. Awarding a DHP
7. Support for those subject to the Benefit Cap
8. Repeat claims
9. Ineligible amounts
10. Changes of circumstances
11. Backdating
12. Method of payment
13. Notification
14. The right to a review
15. Overpayments
16. Publicity
17. The Equality Duty
18. Fraud
19. Monitoring arrangements
20. Review of the Policy

## 1.0 **Background**

- 1.1 The Discretionary Housing Payment (DHP) scheme covers shortfalls between rental liability and payment of Housing Benefit and Universal Credit (housing element), and is used to support the most vulnerable customers who are in financial need. Every claimant who is entitled to the minimum amount of Housing Benefit or Universal Credit (housing element) and who has a shortfall is entitled to make a claim for help.
- 1.2 The main features of the scheme are that:
- the claimant must evidence true financial hardship
  - it is purely discretionary; a claimant does not have a statutory right to a payment
  - the amount that can be paid out by an authority in any financial year is cash limited by the Secretary of State
  - DHP's are not a payment of Housing Benefit or Universal Credit (housing element).
- 1.3 For DHP to be considered there has to be a rental liability and Housing Benefit /Universal Credit (housing element) must be in payment in the benefit week that a DHP is awarded for.
- 1.4 DHP's cannot be awarded to Universal Credit (housing element) in respect of mortgage payments for owner occupiers.

## 2. **Finance**

- 2.1 Annually there is a Government fund allocated to the Council for Discretionary Housing Payments. On top of this there is an overall permitted limit that the Local Authority can spend if it chooses and if the need arises.
- 2.2 The funding given by Government for DHP's is not based on replacing lost benefits due to welfare reforms. To do so would undermine the purpose of the reforms.

## 3. **Statement Of Objectives**

- 3.1 Applications will be considered from claimants who meet the qualifying criteria, and have considered moving to other suitable alternative accommodation other than the property in which they currently live and have undertaken a review of their expenditure, this could be self examined or by attending a money management course.
- 3.2 All applications will be considered on their individual merits, and will seek through the operation of this policy to:
- help people who are trying to help themselves
  - encourage claimants to seek alternative accommodation
  - review their expenditure
  - help sustain tenancies and prevent homelessness

- alleviate poverty
- allow people to remain in their homes if it is practical to do so
- encourage residents to obtain and sustain employment
- support vulnerable people in the local community
- mitigate the effects of child poverty
- safeguard residents in their own homes
- support domestic violence victims who are trying to move to a place of safety
- promote good educational outcomes for children and young people
- keep families together.

3.3 DHP awards should be viewed as short-term emergency relief and should not be the solution to any future entitlement restrictions set out within Housing Benefit or Universal Credit or other legislation.

3.4 DHP awards are designed to give claimants time to take other action and make choices in their lifestyle which may assist their position. This may include looking for more appropriate accommodation, seeking budgeting or debt advice or adjusting to their changed circumstances.

#### **4. Claiming a DHP**

4.1 A completed claim form or written request is required stating the reasons why a payment is requested or required.

4.2 Verification of financial expenditure, and evidence of effort to find other alternative accommodation, will normally be required to assess eligibility.

4.3 Applications made in advance will be considered where a change in income or household can be predicted.

#### **5. Period and level of Award**

5.1 In all cases the length of time for which a DHP will be awarded will be on a case by case basis, and will be subject to change if the claimant's household or income changes.

5.2 The start date of an award will normally be the Monday after the claim is received. However if the application is received within the same week as the universal credit payment is awarded, it will be allowed from that date.

5.3 There is no minimum period for which a DHP will be awarded.

5.4 Where a claimant is affected by social sector size criteria or Local Housing Allowance legislation and there are children who will reach a qualifying date for an extra bedroom in that year, on qualification, a DHP may be made up to the Sunday following their birthday.

- 5.5 Where possible when primary school aged children are involved, or in the case of older children, it is an examination year, a DHP may be paid until the end of the academic year.
- 5.6 Where a claimant or partner is pregnant, consideration will be given to the bedroom requirement needed once the child is born, up to the age of 9 months..
- 5.7 A DHP can be awarded for a period exceeding twelve months in exceptional circumstances with the agreement of the Head of Service. Each extended award will be reviewed periodically.
- 5.8 For Housing Benefit claimants the maximum award is the difference between the Housing Benefit and their full rental liability less service charges for personal heating, lighting and water.
- 5.9 For Universal Credit claimants the maximum award is the difference between the housing element and their full rental liability less service charges for personal heating lighting and water.
- 5.10 Universal Credit claimants receiving a housing element for mortgage payments are not eligible for a DHP.

## **6. Awarding a DHP**

- 6.1 In deciding whether to award a DHP the following factors may be considered:-
- If the claimant has reduced their expenditure or tried to increase income.
  - Has the claimant explored other alternative suitable accommodation, both in the social rented and private rented sectors?
  - Any steps taken by the claimant to reduce rental liability
  - If the claimant is registered on the Councils transfer or exchange list and has made bids on other appropriate properties
  - Whether the property has been purpose built or substantially adapted for the needs of a resident disabled claimant
  - Any extra expenditure required due to a persons disability
  - The medical circumstances of the claimant, their partner and any other occupants of the claimant's home
  - The financial expenses relating to the disability of a claimant or partner.
  - Extra costs associated with children moving schools
  - Extra costs relating to children not already covered in this document
  - If they are approved prospective adoptive or foster carers, including those awaiting placement of adoptive children or between foster placements
  - If the DHP will prevent homelessness and increase tenancy sustainment
  - The level of debt / loans of the claimant or their family, and the duration of the loan period
  - The DHP award helps to sustain employment (including increased travel costs)
  - Increases in essential work or school related travel because a customer or

dependant has had to move home

- If the claimant has agreements for satellite or cable TV /mobile phones /gym fees etc the amount paid should be considered and may be classed as expenditure until the contract they are tied into ends, the DHP then may reduce
- Rent deposits and rent in advance (this can only be considered when the claimant is currently in receipt of Housing Benefit or Universal Credit.)
- Allowing DHP on two homes
- Shortfalls due to non-dependant deductions.

6.2 Benefit Services will decide how much to award based on individual circumstances. Any DHP award does not guarantee that a further award will be made later.

## **7. Support for those subject welfare reforms**

7.1 The Government has provided additional funding for DHPs to support those claimants affected by welfare reforms as a result of a number of complex challenges, cannot immediately move into work or more affordable accommodation.

7.2 The funding for DHPs is specifically aimed at a number of groups who are likely to be particularly affected by welfare reforms. These include (but are not limited to):

- Those in temporary accommodation;
- Individuals or families fleeing domestic violence;
- Those with kinship care responsibilities;
- Individuals or families who cannot move immediately for reasons of health, education or child protection;
- Individuals entitled to Carers Allowance or Universal Credit including the carer's element;
- Households moving to, or having difficulty finding more appropriate accommodation;
- Those with dual liability for housing costs;
- Where eviction action is being taken.

## **8. Repeat claims**

8.1 Repeat claims will be considered on a case by case basis and applicants will usually be required to demonstrate that expenditure has been reduced or suitable alternative accommodation if appropriate has been sought prior to a further award being made.

## **9. Ineligible amounts**

9.1 DHPs cannot be paid for the following items:-

- A shortfall in income resulting from a permanent DWP sanction, including Job Seekers Allowance
- Ineligible service charges (including water charges)

- An increase in rent charges due to the recovery of rent arrears
- any other expenditure deemed unnecessary undertaken by the claimant
- Rent, where the person is receiving a reduction in Council Tax through the council tax reduction scheme but not receiving Housing Benefit or Universal Credit (housing element)
- Shortfalls caused by the recovery of Housing Benefit overpayments where it was “claimant error” that created the debt.

## **10. Changes of Circumstances**

- 10.1 Claimants have a duty to notify Benefit Services of any changes in circumstances.
- 10.2 It may be necessary to revise the amount of an award or the period a DHP is paid for where the circumstances of the claimant or a person who resides in the property change.

## **11. Backdating**

- 11.1 Will be allowed in exceptional circumstances only by agreement with an Assessment Manager.

## **12. Method of Payment**

- 12.1 For claimants in receipt of Housing Benefit, DHPs will be made to the Housing Benefit recipient. The frequency of payments will be made in line with the payment of Housing Benefit.
- 12.2 For claimants in receipt of Universal Credit (housing element), DHPs will be made to the claimant’s rent account if they live in a council property. For those in privately rented properties awards will be paid to the universal credit claimant. Payments will be made in line with the payment frequency of their Housing Benefit or their Universal Credit.

## **13. Notification**

- 13.1 The claimant will be notified in writing as soon as practicable of the outcome of their application. Where the application is successful the claimant will be advised:
- of the weekly/ monthly amount of DHP awarded
  - of the period of the award
  - of the requirement to report a change of circumstances
  - that repeat awards will only be made in exceptional circumstances.
- 13.2 Where the application is unsuccessful the claimant will be given reasons why this decision was made.

## **14. The Right to a review**

- 14.1 An applicant or their appointee can request a review of the decision. Reasons to request a review may include:
- That there has been a factual error based on the decision made
  - That there has been an oversight on a significant piece of evidence
  - That new evidence has been provided which was not included with the original application.
- 14.2 A request for a review must be made in writing within 1 calendar month of the date of the decision to the Council's Head of Revenue and Benefit Services.
- 14.3 DHPs do not carry a right of appeal to a Social Security Tribunal. The route of judicial review is available and the Local Government Ombudsman if there is an allegation of maladministration.

## **15. Overpayments**

- 15.1 Any overpayment of DHP not caused by an 'official error' will be recoverable. The decision letter that notifies an overpayment will also set out the right of review.

## **16. The Equality Duty**

- 16.1 The Equality Duty is intended to integrate equality and good relations into the day-to-day business of local authorities. In all DHP cases Dudley will pay due regard to this duty.
- 16.2 The Equality Duty has three aims
- to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
  - to advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
  - to foster good relations between those who share a relevant protected characteristic and those who do not.
- 16.3 Relevant protected characteristics covered by the Equality Duty are:
- age (including children and young people),
  - disability,
  - gender reassignment,
  - pregnancy and maternity,
  - race,
  - religion or belief,
  - sex and sexual orientation.
- 16.4 In addition, we will have due regard to the need to eliminate unlawful discrimination in relation to an individual's marriage or civil partnership status.

## **17. Publicity**

- 17.1 The scheme will be publicised. A copy of this policy is available on the Dudley Council web site.

## **18. Fraud**

- 18.1 The Council is committed to the fight against fraud in all forms. A claimant who tries to claim a DHP by falsely declaring their circumstances or by providing a false statement or evidence in support of their application may have committed an offence under the Theft Act 1968. Where it is suspected that a fraud may have occurred, the matter will be investigated and this may lead to criminal proceedings being instigated.

## **19. Monitoring arrangements**

- 19.1 As a result of increased Government funding, there is a DWP requirement to monitor how DHPs are being used to support customers affected by the welfare reforms, and provide a broad breakdown of expenditure.

## **20. Review of the Policy**

- 20.1 This policy will be regularly reviewed and will take into account the views of stakeholders.
- 20.2 The amount of DHP funding available will always be a determining factor for the ongoing review of this policy.