



**New Forest District Council**

**Discretionary Housing Payments (DHP)**

**Policy**

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## **1. What are Discretionary Housing Payments?**

- 1.1 The legislation covering Discretionary Housing Payments is the Discretionary Financial Assistance Regulations 2001. This policy gives full regard to the Department for Work and Pensions Guidance Manual for Discretionary Housing Payments.
- 1.2 Local Authorities can award Discretionary Housing Payments (DHPs) where there is a shortfall between the rent a landlord is charging and the amount of Housing Benefit or the Housing Element of Universal Credit being awarded, or to help with housing costs. Where Universal Credit is awarded and housing costs refer to support for mortgage interest payments, owner-occupiers are not eligible to receive DHPs.
- 1.3 The main features of DHPs are:
  - the scheme is purely discretionary,
  - there is no right to a payment,
  - there must be an entitlement to Housing Benefit, or the Housing Element of Universal Credit
  - they cannot be awarded to pay for ineligible service charges,
  - the total amount of DHPs that can be awarded in any financial year is limited by the Secretary of State. Once this budget is spent the Council cannot make any more awards.
  - The council is allowed to spend up to 2½ times the funding allocations. However, the extra money must be sourced from the council's own finances.
  - Any unspent Discretionary Housing Payment funding will have to be returned to the Department for Work and Pensions.
- 1.4 The Council will assist potential beneficiaries to claim a DHPs.

## **2. Purpose of this policy**

- 2.1 The Council will operate the DHP scheme and consider making a DHP to applicants who meet the qualifying criteria as detailed below. Every application will be treated on its merits and all applicants will be treated equally and fairly. The Council is committed to work closely with the Council's Homelessness Team, Social Landlords, the local voluntary sector, and other organisations where appropriate, and seek, through the operation of this policy, to:
  - to safeguard tenancies and prevent homelessness
  - minimise hardship
  - reduce the need for temporary accommodation for homeless households
  - encourage and sustain New Forest residents in employment
  - support the vulnerable in the local community
  - help applicants through personal crisis and difficult events
  - keep families together
  - help applicants with their rent whilst they seek cheaper/smaller accommodation
- 2.2 The DHP scheme should be seen as a short-term emergency fund to help New Forest residents. However, in some cases long term awards may be appropriate.

### **3. What are “Housing costs”?**

- 3.1 Housing costs are not defined in the regulations and this approach purposely allows broad discretion and interpretation. In general, “housing costs” usually refers to rental liability, although the term can be interpreted to include:
- Rent in advance
  - Other lump sum costs associated with a housing need such as removal costs.
- 3.2 Council Tax liability cannot be met by DHP, even where an applicant is receiving Council Tax Support.
- 3.3 A DHP can be awarded in exceptional circumstances and where other financial support is not available, for a rent in advance for a property that the applicant is moving to. When awarding a DHP, The Benefits Service will ensure that:
- The rent is affordable for the tenant, and
  - The tenant has a valid reason to move, and
  - The deposit or rent in advance is reasonable and
  - The applicant’s circumstances are exceptional
- 3.4 The Council will establish if the applicant is due to have a rent deposit returned to them in respect of their existing tenancy, and other assistance available to them, for example the Council’s Rent Deposit Scheme.

### **4. Welfare Reform**

- 4.1 The Government has implemented a number of welfare reforms. This includes:
- Size criteria in the social rented sector
  - Local Housing Allowance
  - Benefits Cap
  - Universal Credit
  - 2 Child limit for new claims
- 4.2 The Benefits Service will work with applicants affected by welfare reforms. This may include awarding a DHP. Where an application is received, we will look to signpost to other support where appropriate and work in partnership with relevant agencies and internal departments to ensure applicants are offered the appropriate support, advice, and information.

### **5. What a DHP cannot help with**

- 5.1 A DHP cannot help with the following:
- Ineligible service charges which are included in the rent for example gas, electricity, or water
  - Mortgage payments
  - Shortfalls in HB due to overpayment recovery or certain sanctions

- Rent arrears where the applicant was in receipt of maximum Housing Benefit or Universal Credit
- Short fall in rent due to Housing Benefit or Housing Element within Universal Credit that have been suspended
- Household goods such as furniture or white goods
- Payments towards a council tax bill

## **6. Claiming a DHP**

6.1 Before an award is made, the Council must be satisfied that the applicant is entitled to:

- Housing Benefit (HB) or the Housing Element of Universal Credit; and
- Requires further assistance with their housing costs.

6.2 Where there is no entitlement to Housing Benefit or Universal Credit a DHP cannot be awarded.

6.3 A DHP can be claimed for two properties in exceptional circumstances, such as where someone is temporarily absent from their main home because they are a victim of domestic abuse.

6.4 To claim DHP's the applicant, or someone acting on their behalf, must fill in and sign an application form, or complete an e-form, detailing all their income and expenditure. The Council may accept details of income and expenditure not on its own application form and will assist those that are vulnerable to complete an application form, for example a home visit

6.5 The Benefits Service will usually request bank statements for the previous two months, showing all transactions, an applicant's Universal Credit award and tenancy agreement, and may request further information or evidence to assist in making a decision. The applicant will be asked to provide the evidence within one month of the date of request, although this may be extended in appropriate circumstances. If the applicant fails to provide the requested evidence, the council will make a decision on the information available. The Council will contact the applicant by telephone, email, or arrange an interview or home visit if necessary.

6.6 Before a decision is made, the Benefits Service will seek to ensure the applicant maximizes their income by checking entitlement to other state benefits or financial support that may be available to them, for example Council Tax Reduction and Personal Independence Payments. The Benefits Service will also give budgeting advice and refer for debt advice through Citizens Advice or other agencies if appropriate

## **7. Awarding a DHP**

7.1 In making a decision the following factors will be considered:

- what steps the applicant is taking to move to smaller or more affordable accommodation
- the amount of the shortfall between the Housing Benefit or the Housing Element of Universal Credit awarded and the amount of rent

- how long the shortfall is likely to be for
- the household of the applicant and their circumstances and whether they are likely to change
- the financial circumstances of the household, including all income, the types, amounts and reasonableness of expenditure
- what steps the applicant is taking to reduce expenditure and engage in budgeting support if appropriate
- the amount of household savings and debts
- any social or medical issues in the household or adaptation's due to a disability which may make moving to a suitable alternative accommodation difficult
- the impact on the applicant and the council if the application is refused
- whether the applicant contributed to the shortfall
- if tied to an existing tenancy
- if a rent deposit is needed to assist in moving to affordable accommodation
- if there has been a previous award of DHP
- if the applicant is engaging with their work coach if receiving Universal Credit
- any other special circumstances

7.2 The Benefits Service will consider the above factors, which is not exhaustive, and decide on the level of DHP to award. Any award will not exceed the total eligible rent.

7.3 An award of DHP does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed.

## **8. Amount and duration of award**

8.1 The duration and the amount of the award are determined at the discretion of the Council and will be based on the evidence supplied and the circumstances of the claim. The start date of the award will normally be:

- the Monday following receipt of the application form, or
- the date HB or Universal Credit entitlement starts, providing the application is received within one month of this date, or
- an earlier date if the Benefits Service considers reasonable

8.2 The DHP award will:

- normally award DHPs for a three-month period when on expiry the award can be reviewed, or a new application made. A DHP may be made for a shorter period of time where appropriate.
- not normally award a DHP for more than a year. Awards may be extended if the applicant's circumstances are exceptional or unlikely to change.
- consider any reasonable requests for backdating an award of DHP, usually limited to the current financial year, so long as there is an award of Housing Benefit or Universal Credit.

8.3 A DHP shall not be awarded for any period where the applicant has no entitlement to either Housing Benefit or the Housing Element of Universal Credit.

## **9. Paying a DHP**

- 9.1 The Benefits Service will decide who the most appropriate person to receive the DHP award. This will normally be to whoever is receiving the Housing Benefit or the Housing element of Universal Credit. However, the Benefits Service may decide to pay the landlord if appropriate. Payments will be by electronic transfer (BACS) or by crediting the applicants rent account.
- 9.2 Payment frequency will normally be in line with Housing Benefit payments, either 2 weekly or 4 weekly if paid to a landlord. Where an applicant is receiving Universal Credit, payments will be monthly.
- 9.3 Where payments of Housing Benefit are suspended or where there is a sanction on Universal Credit, payments of DHP will be suspended. This is to ensure that the applicant takes the necessary steps to provide the relevant information to the Council or the Department for Work and Pensions.

## **10. Authorisation**

- 10.1 Any one-off awards over £2,500 will be approved by the Service Manager - Revenue and Benefits

## **11. Notifying an award of DHP**

- 11.1 On receipt of an application for a DHP the Benefits Service will aim to inform the applicant of its decision within two weeks of receiving all the evidence and information, or as soon as reasonably practicable thereafter.
- 11.2 Where the application is successful the notification will advise the applicant:
- the weekly amount of DHP awarded,
  - if the award is a one-off award,
  - the start and end date of the award and the need to re-apply on expiry if appropriate
  - how, when and to whom the DHP will be paid
  - the requirement to report any changes in circumstances
  - any actions that need to be undertaken by the applicant and/or partner
- 11.3 Where the application is not successful, the notification will state this, along with an explanation for the decision and the right for a review.
- 11.4 The Benefits Service will keep a record of all decisions in accordance with its retention policy.

## **12. Appeals**

- 12.1 DHPs are not payments of Housing Benefit and are therefore not subject to an appeal. However, the Council will operate the following approach following a refusal to award a DHP or a decision not to backdate an award of DHP:

- 12.2 An applicant (or appointee) who disagrees with a DHP decision can request an explanation of the decision. This must be done by e-mail, letter, or phone within one month of the date of the decision. The Benefits Service will explain its decision to the applicant and aim to resolve the matter.
- 12.3 Where the applicant disagrees with the reasons for the decision this must be done by e-mail, letter, or phone within one month of the date of the decision. This decision will be made by the Service Manager Revenues and Benefits. This decision is final and may only be challenged via judicial review or by complaint to the Local Government Ombudsman.
- 12.4 In exceptional circumstances the one-month time limit to appeal a decision can be extended.

### **13. Changes in circumstances**

- 13.1 On awarding a DHP the applicant must notify the council of any changes in circumstances to the Benefits Service straight away. The Benefits Service may revise the award of DHP or decide to end the award, for example where the applicant has misrepresented or failed to disclose a material fact, or where they no longer need financial assistance towards their housing costs
- 13.3 The decision will be notified to the applicant within 14 days, or as soon as reasonably practical.

### **14. Overpayments**

- 14.1 Where a DHP is overpaid, officers will consider whether it is appropriate to recover in full, or in part, or not at all. The Council will seek to recover any DHP which has been overpaid as a result of misrepresentation or failure to disclose a material fact, fraudulently or otherwise.
- 14.2 Overpaid DHPs will be recovered from the applicant or payee. This is normally done by sending an invoice. Under no circumstances will recovery be made from Housing Benefit payments due to the applicant.
- 14.3 The Council does have discretion not to recover an overpayment of DHP.
- 14.4 The Benefits Service will notify the applicant of a decision to recover an overpayment of DHP, along with details on how to request the offer of a review of the decision.

### **15. Fraud**

- 15.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.
- 15.2 An applicant who tries to fraudulently claim a Discretionary Housing Payment by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.



15.3 Where the Council suspects that such an offence may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

## **16. Complaints**

16.1 The Council's "Feedback, comments and complaints" procedure is available on the Council's website and will be applied if a complaint is received about this policy or administration of the scheme.

## **17. Publicity**

17.1 The Council will publicise the scheme and proactively work with applicants to identify and assist with applications, in particular vulnerable applicants. Information will be included in decision notices, on the council's website and the Benefits Service will actively work with partner organisations, including the Council's Homelessness Team, Social Services, Citizens Advice, voluntary organisations, and Housing Associations.

## **18. Policy Review**

18.1 We will review this policy every 3 years, or sooner in the event of a relevant change in legislation or guidance.