



New Forest District Council

Discretionary Housing Payments (DHP)

Policy

Contents

1. What are Discretionary Housing Payments
2. Statement of objectives
3. What are Housing costs?
4. Welfare Reform
5. Claiming a DHP
6. What a DHP cannot help with
7. Awarding a DHP
8. Period of award
9. Paying a DHP
10. Notifying an award of DHP
11. What if the claimant disagrees with a decision
12. Changes in circumstances
13. Overpayments
14. Fraud
15. Publicity

1. What are Discretionary Housing Payments?

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.

Local Authorities can award Discretionary Housing Payments (DHP's) 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 DHP's.

The main features of DHP's are that:

- the scheme is purely discretionary,
- there is no right to a payment,
- there must be an entitlement to Housing Benefit,
- they cannot be awarded to pay for ineligible service charges,
- the total amount of DHP's 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.

The Council will help to assist potential beneficiaries of DHP's to claim them.

2. Statement of objectives

The Benefits Service will operate the DHP scheme and consider making a DHP to customers who meet the qualifying criteria as detailed below. Every application will be treated on its merits and all customers will be treated equally and fairly. The Benefits Service 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:

- alleviate poverty
- prevent homelessness
- 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 claimants through personal crisis and difficult events
- safeguard New Forest residents in their homes
- encourage and sustain people in employment
- keep families together
- help claimants with their rent whilst they seek cheaper/smaller accommodation

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”?

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
- Deposits, and
- Other lump sum costs associated with a housing need such as removal costs.

Council Tax liability cannot be met by DHP, even where a claimant is receiving Council Tax Support.

A DHP can be awarded for a rent deposit or rent in advance for a property that the claimant is yet to move into if they are already entitled to Housing Benefit or Universal Credit at their current property. 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

The Benefits Service will establish if the claimant 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

The Government has been implementing a number of welfare reforms. This includes:

- Size criteria in the social rented sector
- Local Housing Allowance
- Benefits Cap
- Universal Credit

The Benefits Service will work with claimants affected by welfare reforms. This may include awarding a DHP. Before some awards are made the Benefits Service will look to work in partnership with agencies and the claimants to offer the appropriate support.

5. Claiming a DHP

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

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

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

Any supporting evidence or information must be included with the form. On receiving the application form the Council will date stamp it and this will be the date of application. The Benefits Service will usually request bank statements for the previous two months, showing all transactions.

The Benefits Service may request further information or evidence to assist in making a decision. The claimant 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 claimant fails to provide the requested evidence, the council will make a decision on the information available. An interview or home visit may be necessary.

Before a decision is made, the Benefits Service will seek to ensure the claimant maximizes their income by checking entitlement to other state benefits or financial assistance that may be available to them, for example Personal Independence Payments. The Benefits Service will also give budgeting advice where appropriate.

6. What a DHP cannot help with

A DHP cannot help with the following:

- Ineligible service charges which are included in the rent
- Mortgage payments
- Shortfalls in HB due to overpayment recovery
- Payments towards a council tax bill

7. Awarding a DHP

In making a decision the following factors will be considered:

- what steps the claimant 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 claimant 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 claimant 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 adaption's due to a disability which may make moving to a suitable alternative accommodation difficult
- the impact on the claimant and the council if the application is refused
- whether the claimant 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 claimant is engaging with their work coach if receiving Universal Credit
- any other special circumstances

The Benefits Service will consider the above and decide on how much DHP to award.

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

8. Period of award

In all cases, the Benefits Service will decide the length of time of any awards made. 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

The DHP award will:

- normally award DHP's 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 claimant's circumstances are 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.

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

9. Paying a DHP

The Benefits Service will decide who the most appropriate person to pay any award of DHP to. This will normally be to whoever is receiving the Housing Benefit. However, the Benefits Service may decide to pay the landlord if appropriate. Payments will be by electronic transfer (BACS) or by crediting the claimants rent account. Records of payments will be held on our system to ensure the amount of DHP paid.

Payment frequency will normally be in line with Housing Benefit payments. Where a claimant is receiving Universal Credit, payments will be monthly.

10. Notifying an award of DHP

On receipt of an application for a DHP the Benefits Service will aim to inform the claimant of its decision within two weeks of receiving all the evidence and information, or as soon as reasonably practicable thereafter.

Where the application is successful the notification will advise the claimant:

- the weekly amount of DHP awarded,
- the start and end date of the award and the need to re-apply on expiry if appropriate
- how, when and whom the DHP will be paid
- the requirement to report any changes in circumstances
- any actions that need to be undertaken by the claimant and/or partner

Where the application is not successful, the notification will state this, along with an explanation for the decision and the right for a review.

The Benefits Service will keep a record of all decisions.

11. What if the claimant disagrees with a decision?

DHP's 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:

- A claimant (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 claimant and aim to resolve the matter.
- Where the claimant disagrees with 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.

In exceptional circumstances the one month time limit to appeal a decision can be extended.

12. Changes in circumstances

On awarding a DHP any changes in circumstances must be notified to the Benefits Service straight away. The Benefits Service may revise the award of DHP or decide to end the award. The decision will be notified to the claimant.

13. Overpayments

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.

Overpaid DHP's will be recovered from the claimant or payee. This is normally done by sending an invoice. Under no circumstances will recovery be made from Housing Benefit payments due to the claimant.

The Council does have discretion not to recover an overpayment of DHP.

The Benefits Service will notify the claimant of a decision to recover an overpayment of DHP, along with the offer of a review of the decision.

14. Fraud

New Forest District Council is committed to combating fraud. Anyone who tries to fraudulently claim a DHP by failing to disclose their true circumstances, or providing false statement or information in support of their application, may have committed an offence and the Council will investigate the matter. If fraud is found to have occurred, action will be taken including the recovery of overpaid DHP and, if appropriate, criminal proceedings.

15. Publicity

The Council will publicise the scheme and proactively work with claimants. The Benefits Service will actively work with all interested parties, including the Council's Homelessness Team, Social Services, Citizens Advice, voluntary organisations and Housing Associations.