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DISCRETIONARY HOUSING PAYMENT POLICY

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Contents

1. General	3
2. Introduction	3
3. Statement of Objectives	3
4. Administration	4
5. Claiming a DHP	5
6. Awarding a DHP.....	6
6.3 Lump Sum Payments.....	8
6.10 Amount.....	9
6.13 Period of Award.....	10
7. Notifications.....	11
8. Method of Payment.....	11
9. Changes in circumstances	12
10. Review and dispute process.....	12
11. Overpayments.....	13
12. Fraud.....	13
13. Publicity	14

1 General

- 1.1 The Child Support, Pensions and Social Security Act 2000 introduced a scheme of Discretionary Housing Payments (DHPs) with effect from 02 July 2001, and provided for under The Discretionary Financial Assistance Regulations 2001 (as amended). These payments are designed to enhance a person's entitlement to Housing Benefit (HB) or the housing element of Universal Credit, where the Local Authority identifies that the customer needs additional help with their housing costs. There is no statutory duty to pay Discretionary Housing Payments and awards are made solely at the Local Authority's discretion. Discretionary Housing Payments can only be awarded where there is an entitlement to housing benefit or the housing element of Universal Credit.

2 Introduction

- 2.1 The purpose of this policy is to specify how Hoople Ltd will operate the DHP scheme on behalf of Herefordshire Council and indicates some of the factors that will be considered when deciding if a DHP will be awarded in individual cases. All applications for DHP will be treated strictly on its individual merits and each customer will be treated equally and fairly.
- 2.2 The Department for Work and Pensions (DWP) Discretionary Housing Payments Guidance Manual, including Local Authority Good Practice Guide December 2016, contains advice which will normally be considered in the administration and decision making of DHP awards to ensure consistency.
- 2.3 The DHP policy reflects changes to the benefits system introduced by the Welfare Reform Act 2012; this included the introduction of Universal Credit, the bedroom under occupancy size criteria and the benefit cap.
- 2.4 Hoople Ltd is committed to working with the local voluntary sector, social landlords, Welfare and Financial Assessment Team, HC Solutions, WISH and other interested parties in Herefordshire to maximise take up, for customers of all available state benefits and this will be reflected in the administration of the DHP scheme.

3 Statement of Objectives

- 3.1 The council will consider making a payment of DHP to customers who meet the qualifying criteria as specified in this policy. All applications will be considered on their individual merits, however the council will seek through the operation of this policy, to:-
- alleviate poverty
 - encourage and sustain people in employment
 - sustain tenancies and prevent homelessness
 - safeguard Herefordshire residents in their own homes
 - keep families together
 - support the vulnerable or elderly in the community

- help customers through personal and difficult events
- support young people in their transition to adulthood; and
- promote good educational outcomes for children and young people
- support those customers leaving care
- support those customers being discharged from detention
- support and recognition of the Armed Forces Covenant and to ensure that those who serve in the Armed Forces, whether Regular or Reserve, those who have served in the past or are currently serving, will face no disadvantage compared to other citizens in the application of this policy. Special consideration may be appropriate in some cases, especially for those such as the injured or bereaved.
- support customers affected by some of the key Welfare Reforms including:
 - the effect of the bedroom under occupancy size criteria in the social rented sector
 - the effect of the benefit cap
 - reductions in local housing allowance
- assist customers in receipt of the Universal Credit housing element (UCHE) where it has been restricted due to the key Welfare Reforms (as above)
- assist with “one off” lump sum housing costs including rent deposits, rent in advance and help with removal costs
- Universal credit is expected to be rolled out in Herefordshire in the summer of 2018, DHP payments will be prioritised to assist in this transition

3.2 The DHP scheme is normally seen primarily for short-term emergency financial assistance towards housing payments and not normally as a continuous payment. The DHP Scheme is to help ease transitions and allow customers time to seek resolution to their difficulties, enabling people to secure or retain and pay for appropriate and sustainable accommodation and reduce the risk of homelessness. The scheme should not seek to undermine the purpose and nature of any current or future entitlement restrictions set out within the Housing Benefit (HB) and Universal Credit (UC) Regulations.

4 Administration

- 4.1 The DHP scheme is administered by Hoople Ltd on behalf of Herefordshire Council.
- 4.2 DHP is funded through an annual grant from the DWP. Herefordshire Council are able to increase the fund to an overall cash limit, using its own funding, referred to as the permitted total.
- 4.3 The council will maximise the use of DHP funding on an annual basis to avoid unspent funding being returned to the DWP.
- 4.4 The main features of the DHP scheme are that:-
- DHP awards are not payments of Housing Benefit
 - there must be an entitlement to the minimum amount of HB or UCHE, for any period that a DHP is awarded

- it is a discretionary scheme
- the housing costs of DHP awards does not have to be for the housing costs of the property for which the benefit is awarded for example; DHP lump sum awards can be used for a rent deposit, rent in advance or moving expenses for a property the customer is yet to move into, if the customer is already entitled to Housing Benefit or Universal Credit housing element (UCHE) for their present home
- there is a need for financial assistance.

4.5 The DHP scheme does not cover:-

- ineligible service charges; charges that are not eligible for HB /UCHE
- sanctions and reductions in benefit imposed by Income Support or Job Centre Plus.
- increases in rent imposed due to outstanding rent arrears
- HB or UCHE suspensions of benefit where there is a doubt about entitlement
- rent - when the customer is in receipt of council tax reduction but not in receipt of HB or UCHE - no award can be made towards a rental liability
- shortfalls caused by HB or UCHE overpayment recovery
- where there is no minimum entitlement of HB or UCHE.

5 Claiming a DHP

- 5.1 Claims must be made by completing a DHP application form in writing or online on the following link (www.herefordshire.gov.uk/DHP). DHP application forms must be returned to the Revenues and Benefits Service, any of the Customer Service Offices in Herefordshire (details can be found at www.herefordshire.gov.uk/customerservices) or sent electronically to benefits@herefordshire.gov.uk
- 5.2 A DHP application may be accepted in advance of an anticipated legislative change which will reduce the level of housing benefit entitlement.
- 5.3 Any reasonable and relevant information in support of the DHP claim will be considered to enable a decision to be reached on how much, if any, DHP will be awarded. The customer will be asked to provide the information within two weeks of the request. This will be extended if appropriate in the interest of promoting the objectives of this policy.
- 5.4 All discretionary housing payment claims, wherever possible, will normally be determined within one month of receipt of the DHP claim, or a soon as is reasonably practical thereafter. If additional information is requested, the claim will usually be determined within 10 days following receipt of evidence.
- 5.5 If the customer does not provide the required information or evidence, the application will be considered taking into account any available evidence, including that held on council databases such as the Revenues system and/or Department for Work and Pensions (DWP) systems.
- 5.6 The council reserves the right to make enquiries, request further information by

telephone or in writing, and verify any information or evidence provided by the customer in appropriate circumstances. This includes:-

- exploring options available to the customer by liaising with the Housing Solutions Team in order to negotiate a more affordable rent, where appropriate to do so
- make referrals to advice agencies that are able to provide assistance and advice on managing finances and personal budgeting where it could assist in providing the customer with a long term financial solution.

6 Awarding a DHP

6.1 The criteria for awarding DHP is:-

- the customer is already entitled to HB or UCHE, and
- requires further financial assistance with housing costs

6.2 The following are factors which will normally be taken into account when deciding to award a DHP. This list is illustrative and not exhaustive and each case will be decided on its own merit:-

- Priority will be given, to ensure swift resolution, for applications received from:
 - Young people leaving care or moving on from supported housing
 - Individuals being discharged from detention centres, or being released from prison and
 - Individuals covered by the military covenant
 - Clients identified as receiving support from Adult Social Care
 - Clients identified as receiving support from Housing Solutions especially those persons facing homelessness.
- the shortfall between HB/UCHE and the rental liability
- a shortfall due to restrictions made by a Rent Officer valuation of the customer's home, including Local Reference Rent, Shared Room Rate, the bedroom under occupancy size criteria or where Local Housing Allowance (LHA) does not meet the contractual rent
- a shortfall in HB or UCHE due to the introduction of key Welfare Reforms including:
 - introduction of the bedroom under occupancy size criteria in the social rented sector – priority will be given to those who:-
 - have had a property significantly adapted to meet disablement needs of the customer or members of the family
 - need support where an extra bedroom is required for the overnight carer of disabled children or non-dependants who require frequent care
 - support where an additional bedroom is required for prospective adoptive parents, approved or prospective foster carers
 - support for customers who are taking necessary steps to either downsize or take on a boarder/lodger to satisfy the bedroom under occupancy size criteria
 - introduction of the benefit cap –priority will be given to those who can

demonstrate that they are:-

- taking the necessary steps to help themselves and are working towards getting a job or additional income to meet the loss of HB/UCHE
- taking the necessary steps to move to cheaper alternative accommodation
 - reductions in local housing allowance
- increased charges for non-dependants (other adults) living with the customer, resulting in a reduction of HB entitlement or housing cost contributions in UC
- reductions in HB caused by what are referred to as tapers i.e. reductions in benefit payable where the customer's income exceeds the government set needs figures
- any other policy change that limits the amount of HB/UCHE payable for example the removal of the family premium
- increases in essential work related expenditure, such as an increase in bus fares to work because the customer has had to move due to the fact that they could not afford to live in the proximity of their work following a reduction in the LHA rate
- temporary absence – liability on a permanent home where a claimant is also liable for payments on the temporary home due to temporary absence as a result of domestic violence and HB/UCHE can be paid for 2 homes. DHP can be made to both properties if there is a shortfall. This would be subject to the weekly limit (weekly eligible rent)
- liability on one permanent property and eligibility for HB/UCHE on one home but paying rent on two homes due to temporary absence. DHP can assist the payments due on the temporary home subject to the weekly eligible rent on the permanent home
- any steps taken by the customer to reduce their rental liability such as seeking to take on more affordable accommodation
- the financial, medical or social needs and circumstances of the customer, partner and any other persons living in the household (including ill health and disabilities)
- the income and expenditure of the customer, partner and any other persons living in the household
- Income from disability-related benefits such as Attendance Allowance, Disability Living Allowance (DLA) for both care and mobility components, Personal Independence Payments (PIP) will be disregarded in full in the calculation for DHP. Customers in receipt of these benefits who apply for a DHP due to the bedroom under occupancy size criteria in the social rented sector will be awarded DHP equal to the bedroom under occupancy size criteria reduction (i.e. 14% or 25% of the eligible rent) Expenses in relation to the disability will be disregarded in the DHP calculation
- savings and capital that may be held by the customer and family members
- the level of debt of the customer and dependant family members
- any exceptional circumstances of the customer and family members
- where the circumstances of the customer are such that a DHP would not alleviate the problems of the customer within a reasonable period of time for example 12 months
- any specific reasons which make it necessary or specifically desirable for the

- customer to occupy the property of which the liability exists
- the probable consequences of rent arrears for the customer or family members, especially if any of them are vulnerable by reason of age, sickness or disability
- the possible impact on the council of not making an award e.g. the pressure on priority homeless accommodation, fuel poverty, child poverty etc.
- the discriminatory impact of legislation e.g. the rent restrictions and applicable amount for younger single customers
- any other special circumstances
- the amount available in the DHP budget (the council's overall cash limit is determined by Central Government).

6.3 Overriding Factors

The policy allows consideration of overriding factors in reaching a decision to award DHP and includes:-

- Risk of homelessness
- Where the customer has refused to take actions recommended on a previous DHP award and would therefore normally be refused an award, if there is a risk of homelessness consideration of awarding a further DHP is to be made to safeguard the accommodation. The customer will be expected to liaise with supporting organisations and provide evidence that support has been sought i.e. Adult Well Being Team
- Released offenders, can make an advanced application from prison to assist with securing accommodation upon release to prevent homelessness.
- Care leavers – in their first tenancy since leaving care or move on from supported accommodation
- Refugees – in line with the agreed settlement support period of 12 months
- Serious or terminal illness will be a factor when considering if a person can reasonably be expected to move. Consideration will be made to the residual effect on any other family members if illness is terminal.

6.4 Lump Sum Payments

6.5 DHP awards may be made in the form of a one off lump sum payment for all reasonable requests for the following:-

- rent in advance
- rent deposits, and
- other lump sum costs associated with housing need such as removal costs.

6.6 Any one off lump sum payment for rent in advance and/or rent deposit will usually be restricted to a maximum equal to one month's contractual rent.

6.7 DHP's can be awarded for a rent deposit and/or rent in advance for a property that the customer is yet to move into if they are already entitled to HB or UCHE at their present home at the point the DHP award is made.

6.8 When awarding a DHP for a rent deposit and/or rent in advance it must be established that:-

- the property is affordable for the tenant; and
- the tenant has a valid reason to move; and
- the deposit or rent in advance is reasonable.

NB. Consideration will be given where a customer is fleeing the home due to domestic abuse and needs to seek a place of safety

6.9 It must be established with the customer whether they:-

- are due to have a deposit and/or rent in advance in respect of their existing tenancy returned to them; or
- have received assistance from another department within the council towards a rent deposit for example a rent deposit guarantee scheme or similar.

6.10 Where a lump sum payment for a rent deposit and or rent in advance is granted any HB or UCHE already paid towards the housing costs must be deducted when calculating the amount of DHP to avoid duplicate provision.

6.11 Amount

6.12 The Revenue and Benefits Service will determine how much to award based on the award criteria guidelines and claimant's circumstances as provided on the DHP application form relating to income and expenditure. The amount awarded will relate to the shortfall identified.

6.13 Income declared on the DHP application form is cross checked to the income, which is being used in the calculation of housing benefit.

6.14 Expenditure declared on the DHP application will be used for the calculation of the DHP award, in tandem with the consideration of agreed guidelines amounts. Further evidence of expenditure may be requested, where required, at any time to ensure the correct decision for a DHP award can be determined.

6.15 Where a person's income exceeds their total expenditure there will be a tolerance of £10 excess per week for single persons, £15 excess per week for a couple and an additional £5 excess per week for each dependant child within the family unit before disallowing an application. This is to ensure there is a "cushion" in case of any minor overspends during a week.

- 6.16 Awards can be rounded up to the nearest £1 but cannot exceed the shortfall.
- 6.17 An award of a DHP does not normally guarantee that a further award will be made at a later date, even if the claimant's circumstances have not changed.
- 6.18 Period of Award
- 6.19 The Revenue and Benefits Service will determine the length of time for which a DHP will be awarded based on the known facts and the evidence supplied, and in accordance with the individual circumstances of each claim.
- 6.20 The start date of a DHP award will usually be:-
- the Monday after the DHP application form has been received
 - the Monday following a relevant change in circumstances giving rise for the need for DHP
 - the date, on which entitlement to HB/UCHE commenced, providing that the DHP claim is made within one month of the notification of the HB/UCHE decision or extension of this time which is deemed appropriate in the circumstances of the individual case
 - a reasonable request to backdate a DHP claim will normally be considered taking into account exceptional circumstances of the customer and will usually be limited to the current financial year.
- 6.21 Payments (excluding one-off payments) will normally be awarded for set periods of up to 52 weeks.
- 6.22 DHP payments will be normally awarded for not less than 13 weeks where it is to meet a shortfall due to the rent officer's determination/local housing allowance.
- 6.23 In most cases DHP payments will be short-term where the person is able to make changes such as budgetary adjustments or apply for affordable housing and it is reasonable for them to do so.
- 6.24 There will be some cases where long-term or even indefinite awards are more appropriate and these will be considered where circumstances permit. Examples of this may be:
- Complex debt issues affecting budgeting adjustments, pregnancy where birth will affect number of rooms required, make up of the family in particular age of children, where they go to school, whether a move would affect which school they attend, when is end of term/year and transport to school
 - Age of household, disability, work prospects both of staying put and moving.
 - Where a customer is disabled and living in specially adapted accommodation due consideration will be given to make a long-term award, which may exceed 52 weeks

- People placed in more expensive property due to shortage of suitable premises for example property adapted to the needs of disabled persons, refugee families, loss of supported housing/hostels etc. It may be inconvenient to move – but nevertheless reasonable if current costs cannot be afforded.
- Examples of the **rare indefinite awards** may be high profile adults services placements, property adapted to the specific needs of the disabled person. Indefinite awards will be subject to periodic review and approval by a Senior Manager after considering if funding is available to make the award

6.25 The start date and end date of the DHP payment will be decided on a case-by-case basis.

6.26 Lump sum one-off payments to cover one-off costs such as removal expenses, rent deposits and rent in advance will not have a specified period of award.

7 Notifications

7.1 The customer will be notified of the result of the DHP application in writing within one working day of reaching the decision. Where the application is unsuccessful, the notification will state briefly the reasons for the decision and explain the right to seek a review. Where the application is successful the customer will be advised:-

- the amount that will be paid
- the period of the award
- how, when and to whom the DHP will be paid
- the requirement to report any relevant change
- the right to seek a review
- Information on how to re-apply for a DHP if necessary.

8 Method of Payment

8.1 As a general rule, DHP payments will be paid together with HB or as a one off amount where applicable. DHP payments relating to UCHE will be paid directly to the claimant.

8.2 The Revenue and Benefits Service will determine the most appropriate person to pay based upon the circumstances of each case, this may include:-

- the claimant – where this is paid with the HB payment it will be clearly identifiable as a DHP
- the claimant's partner
- an appointee
- the claimants landlord (or agent of landlord)
- any appropriate third party.

8.3 DHP awarded where the customer is in receipt of UCHE will be paid directly to the claimant's bank account and normally aligned to the UC payment cycle.

9 Changes in circumstances

- 9.1 The customer has a duty to notify the Revenues and Benefits Service of any change of circumstances which may be relevant to their DHP application or awards as soon as possible and no later than one month of the change occurring.
- 9.2 The DHP will be revised either upward or downward according to the change of circumstances.
- 9.3 Any changes in circumstances reported for HB/UCHE purposes will be used to review the DHP award where relevant.
- 9.4 Failure to report a relevant change in circumstances, this being any change to the household, income or expenditure, may result in an overpayment of DHP, which may be recoverable.

10 Review and dispute process

- 10.1 DHP's are awarded solely at the council's discretion and are not statutory payments of HB or UCHE they are therefore not subject to the statutory appeals mechanism as HM Courts Tribunal Service are not empowered to deal with them.
- 10.2 The Revenue and Benefits Service will operate the following procedure for dealing with disputes against a refusal to award a DHP, a decision to award a reduced amount of DHP, a decision not to backdate a DHP, a decision to cease payment of DHP or a decision that there has been an overpayment of DHP:-
- a customer or person acting on their behalf who disagrees with the decision may dispute the decision or request full reasons for it
 - a dispute of a DHP decision should be made in writing within one calendar month of the notification of the DHP decision being issued to the customer or one calendar month of receiving the full reasons for the decision
 - on receipt of the dispute the DHP decision will be reviewed by an officer, within 14 days of the receipt of the dispute or as soon as practicable thereafter, who was not involved in the original decision and the outcome will be notified in writing
 - as part of the dispute process where appropriate, and in order to resolve the matter, the decision will be explained either via telephone, letter or email to the customer and confirmed in writing, however if agreement is not reached a review will be carried out
 - if the original decision is not revised the customer will normally be advised in writing of the outcome of the review and setting out the reasons for confirming the original decision
 - where the customer remains dissatisfied they may request a further review within one calendar month of receiving the internal review notification. A council officer will undertake the further review decision and the decision will be final and binding.

10.3 Where the claimant remains dissatisfied with the outcome, the decision may be challenged through the route of a complaint to Herefordshire Council using the following link - <https://myaccount.herefordshire.gov.uk/formal-complaints-form> or The Local Government Ombudsman if there is an allegation of maladministration, or via the Judicial Review Process.

11 Overpayments

11.1 DHP awards may be revised during the award period where the customers circumstance has changed and a DHP overpayment may occur as a result of:-

- A misrepresentation or failure to disclose a material fact by the claimant (either fraudulently or otherwise), or
- an error has been made when the application was determined:
- Change in circumstances

11.2 The Council will seek to recover all overpaid DHP's unless the overpayment was due to official error and the customer could not be expected to be aware the payment was incorrect.

11.3 In the event that a DHP is found to have been overpaid, recovery of the overpayment will be sought. Normally this will be via an invoice to the customer or the person to whom the award was paid. A DHP overpayment cannot be recovered from HB/UCHE payments due to the customer, or from other prescribed statutory benefits.

11.4 Outstanding overpaid DHP's will be considered for offsetting against any future awards for DHP's at a later date.

11.5 The claimant or the person to whom the award was paid will receive a notification letter regarding the DHP overpayment and will be advised of their rights to dispute

11.6 Overpayment decision letters will include the following:

- Reason for overpayment;
- Amount of overpayment;
- Period of overpayment;
- From whom the overpayment is to be recovered;
- The right of review.

12 Fraud

12.1 Herefordshire Council is committed to the fight against Fraud in all its forms. A customer who presents a fraudulent DHP claim by falsely declaring their circumstances, providing a false statement or evidence in support of their application or failing to notify a material change in circumstances, may have committed an offence under the Theft Act 1968 and appropriate action will be taken.

13 Publicity

13.1 The Revenues and Benefits Service will publicise the availability of the DHP scheme and will work with all interested parties to achieve this. This will include seeking co-operation and promotion with the following partners/stakeholders:-

- Customer Services Section
- Housing Service
- Housing Solutions
- Welfare and Financial Assessment Team
- CAB
- Age UK
- Adult Social Services
- Registered Social Landlords
- DWP Multi Agency Group in Herefordshire
- Private landlord Forums
- Voluntary Sector Organisations
- Home point
- WISH

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