

Isle of Wight Council

DISCRETIONARY HOUSING PAYMENT (DHP) POLICY

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1 Document Information

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3. Background

- 3.1. The Discretionary Housing Payment (DHP) scheme, covers shortfalls between rental liability and payment of Housing Benefit, it does not cover any payments in respect of Localised Council Tax Support (LCTS) from April 2013.
- 3.2. Every claimant who is entitled to the minimum amount of Housing Benefit and or Council Tax Benefit and who has a shortfall is entitled to make a claim for further financial help.
- 3.3. The legislation governing DHP's is contained in the Discretionary Financial Assistance Regulations 2001.
- 3.4. The main features of the scheme are that:
 - The scheme is purely discretionary; a claimant does not have an automatic 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;
 - Local authorities decide how to administer the scheme
 - DHP's are not a payment of Housing Benefit.
- 3.5. However the minimum amount of Housing Benefit must be in payment in the benefit week that a DHP is awarded for.
- 3.6. The scope of this policy has been widened from April 2013 to reflect the impact of welfare reform and additional funding made available by central government that will support customers through the introduction of the various changes where further financial assistance towards housing costs is deemed appropriate.

4. Finance

- 4.1. There is an overall limit on expenditure. The funding available for 2013/14 from central government is £226,320 to provide towards this scheme
- 4.2. Appropriate funding will be allocated quarterly throughout the year. The funding will be allocated into four specific groups as follows;
 - Core DHP – for general allocation
 - Local Housing Allowance (LHA) – for shortfalls caused by the changes to LHA generally
 - Social Sector under occupation – for shortfalls caused by changes to Housing Benefit within the Social Sector; and

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- Benefit Capping – shortfalls caused by the limitation of overall benefit expenditure.

4.3. The allocation each quarter will be as follows:

Quarter 1	£56,580
Quarter 2	£56,580
Quarter 3	£56,580
Quarter 4	£56,580

4.4. Any unspent funds from a previous quarter will be allocated between the remaining quarters.

5. Statement of Objectives

5.1. The DHP Officer will consider making a payment of DHP to claimants who meet the qualifying criteria, and where there is sufficient funding to allow payment. They will treat all applications on their individual merits so that all residents will receive fair and equal treatment and will seek through the operation of this policy to:

- Alleviate poverty;
- Prevent homelessness by sustaining tenancies and safeguarding customers in their homes where it is reasonable to do so and active steps are being taken by the customer to manage a tenancy;
- Enable customers in the short term to make the changes necessary to move forward and into more appropriate housing and financial position
- Support vulnerable young people in the transition to adult life;
- Encourage residents of the Island to obtain and sustain employment;
- Support the vulnerable in the local community;
- Assisting customers who are trying to help themselves;
- Support the transition into work

5.2. DHP awards should generally be viewed as short-term emergency funds rather than an ongoing top up payment in addition to a claimant individual benefit entitlement, and should not be considered as a way round any current or future entitlement restrictions set out within the Housing Benefit legislation.

5.3. The DHP award is designed to give people time to take action, which may assist their position. This may include looking for cheaper alternative accommodation, seeking budgeting or debt advice or adjusting to their changed circumstances. The council would expect claimants to take all reasonable steps to address the reasons for the shortfall to consider making any award

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- 5.4. The council will work in partnership with stakeholders to ensure all Government funding is used to assist our residents and signpost them to other forms of assistance where appropriate.
 - 5.5. From April 2013, DHP's can assist people who receive Universal Credit, providing they have a rental liability and are eligible for support towards their housing costs.

6. Claiming a Discretionary Housing Payment

- 6.1. On request the Benefits Service will issue the claimant with a DHP application form provided they are in receipt of Housing Benefit or Universal Credit Housing Costs for rented accommodation. This will be date stamped and will count as the date of claim. The claimant is required to return the form within one month of its issue and will be required to include any relevant supporting evidence.
- 6.2. The DHP Officer will request evidence in support of an application either in writing or by telephone. The claimant will be asked to provide the evidence within one month of such a request although this will be extended in appropriate circumstances.
- 6.3. The DHP Officer reserves the right to verify any information or evidence provided by the claimant in appropriate cases.

7. Period of Award

- 7.1. In all cases the DHP Officer will decide the length of time for which a DHP will be awarded on the basis of the evidence supplied and the facts known. Current availability of DHP finances will be taken into account.
- 7.2. The start date of an award will normally be the Monday after the written claim for a DHP is received by the DHP Officer.
- 7.3. The minimum period for which the DHP Officer will award a DHP is one week.
- 7.4. The DHP Officer will usually award a DHP for 13 weeks.
- 7.5. Repeat payments will only be considered in exceptional circumstances but will not usually be long term (exceeding 26 weeks).
- 7.6. All DHP awards will terminate at the end of the financial year.

8. Awarding a Discretionary Housing Payment

- 8.1. In deciding whether to award a DHP the DHP Officer may take into account:
- The difference between the applicable amount and received income;
 - The shortfall between Housing Benefit and the liability;
 - Any steps taken by the claimant to reduce the rental liability;
 - The medical circumstances (i.e. ill health & disabilities) of the claimant, their partner and any other occupants of the claimant's home;
 - Any savings or capital that might be held by the claimant or their family;
 - The level of debts or loans of the claimant or their family, and the duration of the loan period;
 - Any special circumstances brought to the attention of the DHP Officer;
 - Shortfalls due to non-dependant deductions;
 - Rent deposits, rent in advance and removal costs;
 - Allowing DHP on two homes;
 - Whether the claimant has applied for council or other registered social landlord accommodation;
 - If the claimant has agreements for Sky/ Cable/ Mobile Phones etc the amount paid should be considered and may be classed as expenditure until the contract they are tied into ends or is able to end after a period of notice. However, if the claimant requests a re-consideration on the grounds that there is a genuine need for this to continue, for example in the case of someone who is housebound, TV related payments can exceptionally be allowed to continue as expenditure provided the charge is reasonable;
 - Fines for speeding, parking and bad debts will not be classed as expenditure;
 - The DHP fund allocation availability.
- 8.2. The DHP Officer will decide how much to award based on all circumstances. This may be an amount below the difference between the liability and the payment of Housing Benefit. An award of a DHP does not guarantee that a further award will be made at a later date even if the claimant's circumstances have not changed.
- 8.3. Claimants should demonstrate that expenditure has been reduced or alternative accommodation has been sought prior to a further award being made.
- 8.4. Whilst DHP's can offer support for rent deposits, rent in advance and other lump sum costs associated with housing need such as removal costs. To get any of these payments the customer must be receiving Housing Benefit or Universal Credit for rental Housing Costs at their current property, and been recommended and supported by the Councils' Housing Officers for the prevention of homelessness. Unlike weekly awards for DHP, the council will consider repayment of this award where appropriate.

- 8.5. Other considerations when making a DHP payment for a rent deposit, rent in advance or for removal costs;
- Paying the landlord rather than the customer
 - Have they got a deposit or rent in advance on their existing property which needs to be returned to them
 - Have they had assistance through a rent deposit guarantee scheme or similar

9. Ineligible Amounts

- 9.1. Discretionary Housing Payments can not be paid for the following items:
- A shortfall in their income resulting from a DWP sanction, including Job Seekers Allowance
 - Ineligible service charges
 - Water charges
 - Help towards Council Tax charges
 - An increase in rent charges due to recovery of rent arrears
 - If any other unreasonable expenditure has been undertaken by the claimant
 - Rent if not entitled to Housing Benefit

10. Changes of Circumstances

- 10.1. The DHP Officer may need to revise an award of a DHP where the claimant's circumstances have changed.

11. Backdating

- 11.1. Will be allowed in exceptional circumstances only by agreement with a Senior Benefit Officer or senior member of the management team.

12. Method of Payment

- 12.1. Payment of DHP's will be made to the payee of Housing Benefit. The frequency of payments will be made in line with the payment of Housing Benefit.

13. Notification

- 13.1. The DHP Officer will inform the claimant in writing of the outcome of their application. Where the application is unsuccessful the DHP Officer will set out the reasons why this decision was made.
- 13.2. Where the application is successful the Benefits Section will advise:
- The weekly amount of DHP awarded or whether a lump sum payment
 - The period of the award
 - How, when and whom the award will be paid
 - The requirement to report a change in circumstances
 - That an award does not guarantee a further repeat award will be made even if the customers circumstances has not changed as repeat awards will only be made in exceptional circumstances

14. Disputes

- 14.1. Discretionary Housing Payments are not payments of Housing Benefit and are therefore not subject to the statutory appeal mechanism.
- 14.2. The DHP Officer will operate the following policy for dealing with disputes.
- 14.3. A claimant (or their appointee or agent) who disagrees with a DHP decision may dispute the decision. A request disputing a decision shall be made in writing to the Benefits Office within one calendar month of the written decision being issued to the claimant.
- 14.4. Where agreement cannot be reached, an independent Senior Benefit Officer or senior member of the management team will consider the case. They will review all the evidence held and will make a decision within 14 days of the referral or as soon as practicable thereafter.
- 14.5. Where a Senior Benefit Officer or senior member of the management team decides not to revise the original decision he/she will notify the claimant of their decision, in writing, setting out the reasons for their decision. This decision is final and binding and may only be challenged via the judicial process or by complaint to the Local Government Ombudsman.
- 14.6. In exceptional circumstances only, all of the above time periods for appeal may be extended.

15. Overpayments

- 15.1. The DHP Officer will seek to recover any DHP found to be overpaid. Normally this will involve issuing an invoice to the claimant or the person to whom the award was paid. It is most unlikely that recovery of any overpayment caused by an 'official error' will be sought if the claimant could not be expected to be aware the payment was incorrect.
- 15.2. Overpayments of DHP may occur because of:
- Initial misrepresentation or failure to disclose a material fact
 - Error
 - Change in a customers circumstances
- 15.3. Under no circumstances will recovery be made from any amount of Housing Benefit due to the claimant (except if the claimant requests this method of recovery specifically in writing).
- 15.4. The decision letter that notifies an overpayment will also set out the following:
- Reason for overpayment
 - Amount of overpayment
 - Period of overpayment
 - From who the overpayment is to be recovered
 - The right of review

The review process for overpaid DHP's will mirror that as stated for the award process.

16. Publicity

- 16.1. The Isle of Wight Council Benefits Service will publicise the scheme. A copy of this policy is available for inspection and is posted on the Council's website.

17. Fraud

- 17.1 The Isle of Wight Council Benefit Services are 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 the DHP Officer suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.