

Discretionary Housing Payments (DHP) Policy

1. Introduction

The aim of this policy is to ensure that the Revenues and Benefits Section adopts a fair, reasonable and consistent approach in awarding Discretionary Housing Payments when claimants require extra help with their housing costs. This Authority is aware that the legislation gives a broad discretion to the making of awards but it is determined to ensure that the decisions it reaches are competent and transparent.

A Discretionary Housing Payment is not awarded as a benefit; it is an award from a cash limited fund given by Central Government each financial year.

2. Overall Aims of DHP

DHPs are made at the discretion of the authority and their purpose is to ensure that those who claim universal credit (UC) and/or housing benefit (HB) do not suffer high levels of hardship where there is a shortfall between the amount of rent due and the amount of benefit paid. DHPs can also help to maintain a tenancy and prevent homelessness.

The DHP fund is strictly limited and is to provide short term assistance only. The aim of the award is to give time to either negotiate a lower rent with a landlord, find cheaper accommodation (houseshare etc) or be in a position to be more financially stable to enable the top up rent to be met.

3. Background

The regulations covering a DHP are the Discretionary Financial Assistance Regulations 2001.

A DHP provides claimants with further financial assistance with their housing costs, in addition to any welfare benefits.

Housing costs are not defined within the regulations but in general housing costs means rental liability, but it can also cover a wider spectrum which includes, rent in advance, rent deposits and other lump sum costs associated with a housing need.

Following the abolition of Council Tax Benefit from April 2013, a DHP can no longer be made towards Council Tax liability.

4. Criteria for award

In order to be considered for a DHP, applicants have to demonstrate that they are unable to meet their housing costs from their available income. To be eligible for a DHP you must be in receipt of Housing Benefit or Universal Credit with housing costs.

5. A DHP can cover

The various shortfalls that a DHP can cover include (but are not limited to):

1. Reductions in HB or UC where the benefit cap has been applied
2. Reductions in HB or UC for under-occupation in the social rented sector
3. Reductions in HB or UC as a result of local housing allowance restrictions
4. Rent shortfall to prevent a household becoming homeless whilst the housing authority explores alternative options
5. Rent officer restrictions such as local reference rent or shared room rate
6. Non dependant deductions
7. Policy to limit benefit to 2 children
8. Income tapers
9. Rent in advance
10. Deposits
11. Other lump sum costs associated with a housing needs.
12. Any other policy changes that limit the amount of HB or UC payable.

Before points 9, 10 and 11 can be considered, and to avoid future evictions, the claimant must prove they can afford their new rental liability.

6. A DHP cannot cover?

There are certain elements of a claimant's rent that the HB and UC regulations exclude so they cannot be included as 'housing costs, for the purpose of a DHP. Excluded elements are:

1. Ineligible services such water or heating costs
2. Provision and cost of white goods and furnishings
3. Increases in rent due to outstanding rent arrears
4. HB or UC payments already paid
5. Certain sanctions and reductions in benefits
6. Any Council Tax Liability
7. Shortfalls caused by overpayment recovery

7. Process

The DHP process will be audited therefore it is expected that a completed application form is received for each request. This will include a budget statement for weekly/monthly income and expenditure supported by bank statements or other requested evidence. The income can be compared to what is shown on our records for the Housing Benefit and/or Local Council Tax Support (LCTS) award and any discrepancies will be queried.

A DHP decision will always be in writing with an explanation of the award or refusal.

A DHP will normally be paid from the date of application but backdating can be applied depending on its own merits.

When evaluating a claimant's financial hardship and in particular in cases where debts are accruing or not being fully addressed, the Council will direct the claimant to the Citizens Advice Bureau, Peabody or another recognised independent organisation for debt counselling services.

The DHP will be awarded in a fair and consistent way and awarded on the claimant's financial circumstances, therefore these policy guidelines will help support the decision making process in deciding whether or not an award of DHP can be made.

The claimant's income/expenditure information will be checked to determine whether or not the data submitted is reasonable. Further enquiries could be made to clarify the information supplied.

8. Review of Decision

The Authority will review a DHP decision in the event of a dispute. This will be carried out by a different officer and the claimant will be advised of the outcome of the review in writing with the reasons of the decision.

9. Overpaid DHP's

The Authority will recover DHP's if it decides that payment has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise.

10. Publicity

The Council will make a copy of this policy available for inspection and it will be published on the Council's website.