

# Discretionary Housing Payment Procedure

Version 2.1 March 2013

This procedural document has been produced to assist officers in the administration of Discretionary Housing Payments (DHP) and must be read in conjunction with legislation and DWP Good Practice Guide.

## INTRODUCTION

In July 2001 the Government introduced the Discretionary Housing Payment (DHP) scheme. It was designed to allow all Local Authorities to pay an assessed discretionary amount to top up the Housing and Council Tax Benefits statutory schemes. The legislation governing DHP can be found in the Discretionary Financial Assistance Regulations 2001 (S1 001 / 1167).

DHP is purely discretionary; a claimant does not have a statutory right to a payment.

Decisions are made in accordance with ordinary principles of good decision making i.e. duty to act fairly, reasonably and consistently, but all claims will be based on their own merits. **Discretion cannot be fettered and there can be no blanket policies.** DWP guidance specifically states we should consider each case on its own merits rather than on a set of predefined criteria and that we should not have a rigid approach, as this would effectively prevent us from exercising our discretion properly in individual cases.

In 2013 there are several changes that will have an impact on the administration of Discretionary Housing Payments. These are as follows:

- Council Tax Benefit will be abolished and replaced with Local Council Tax Support, from 01 April 2013 claimants (including pensioners) will no longer be able to apply for a DHP for Council Tax.
- The introduction of the Benefit Cap.
- The introduction of size criteria in social sector housing.
- Further reductions to Local Housing Allowance (LHA).
- Universal Credit (UC).

The main features of the DHP scheme are that:

- The amount that can be paid out by an Authority in any financial year is cash-limited by the Secretary of State.
- The administration of the scheme is for the Council to determine (with a few specific exceptions).
- DHPs are not a payment of Housing Benefit but there must be an award of Housing Benefit in payment for a DHP to be considered.
- Within the fund there are no ring-fenced amounts, we have to manage all requests for DHPs within the fund amounts.

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### PROCEDURE

The Council will treat each customer equally and fairly. When making a decision all effects of the forthcoming changes will be considered along with financial, medical and household needs of the claimant. The amount of DHP cannot exceed the weekly eligible rent or be awarded beyond the end of the financial year in which it is paid.

Revenues and Benefits work closely with the Housing Advice Service to promote DHP and are committed to working with the local voluntary sector, social landlords and other interested parties in the city to maximise entitlement to all available state benefits. This is reflected in the administration of the DHP scheme. The Council is committed to the equitable operation of a DHP scheme.

### OBJECTIVES

The Council will consider making a payment of a DHP to claimants who meet the qualifying criteria as specified in these procedures. All applications will be looked at on their individual merits, and the operation of these procedures will strive to:

- Alleviate poverty by working with the customers and Housing Options and Advice Team to ensure tenants do not become homeless.
- Encourage and sustain Cambridge City residents in employment.
- Safeguard Cambridge City residents in their homes and to provide support to the vulnerable customers in our community.
- Help those who are trying to help themselves.
- Keep families together.
- Help claimants through personal crises and difficult events.
- Support those affected by the welfare reform changes from April 2013.

Payments of DHP are considered a short-term fund; it is not and should not be considered as a way around any current or future entitlement restrictions set out within the Housing Benefit legislation and forthcoming changes.

### CLAIMING A DHP

A claim for DHP must be made before an award can be given. Sufficient evidence must be received with the claim to enable the Council to make a decision.

The Council will be proactive in contacting claimants who we believe may be entitled to a DHP.

### EXAMPLES OF WHAT WEEKLY DHP CAN BE PAID FOR

#### **Social Sector Size Related Restrictions**

- Property has adaptations to support a person's disability, **such as but not confined to:**
  - Wet room replacing bathroom
  - Worktops lowered
  - Doors widened

The Department of Work & Pensions strongly advise that these awards of DHP are made, but funding is not ring fenced for this within the fund, so the award may not be granted indefinitely.

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- Where disabled claimants use a bedroom to store medical equipment or other items to alleviate their disability such as exercise equipment, wheel chairs, hoists etc.
- Changes in a dependant's age – Where changes in ages mean the restriction would end or reduce from 25% to 14% within 12 months, consideration can be given to awarding a DHP.

### **Local Housing Allowance (LHA)**

Where there is a shortfall between the eligible rent (LHA rate) and the actual rent award, a DHP will be considered, in order to prevent homelessness while the claimant seeks alternative accommodation with guidance from the Housing Advice Service. These are usually given on a three month basis but may be longer or for more than one period.

- Changes in dependants' age – Where changes in ages mean the LHA rate would change in the short term, consideration can be given to award a DHP until the LHA rate changes.
- Under 35 Restriction – Where claimant turns 35 within 12 months and therefore the restriction to use the shared rate ends, consideration can be given to award a DHP.
- Size restrictions can also affect private rented tenants and disabled tenants may require additional space to store disability related equipment.

### **Other Considerations**

- Support for those in fear of violence.
- Non-dependant deductions.
- Two homes when a customer is 'temporarily absent' from their main home, providing they are liable for each address. Note that their entitlement to Housing Benefit may be at another Local Authority.

### **EXAMPLES OF ONE-OFF AWARDS**

A claimant must still have entitlement to Housing Benefit or Universal Credit including housing costs. DHP guidance suggests awards can be made for:

- Rent in advance.
- Rent deposit.
- Other costs associated with housing need such as removal costs.

### **WHAT DHP CANNOT COVER**

DHP cannot cover the following:

- Ineligible services costs.
- Rent increases due to arrears.
- Fraud sanctions and loss of benefits.
- From April 2013, help with Council Tax.
- Costs not relating to housing provision.

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With regard to Social Sector Size Restrictions, where the claimant has an overnight carer, is a foster carer, has children who due to disability cannot share a bedroom at night or live in prescribed supported/exempt accommodation, easement from the regulations is not by awarding DHP but by giving an additional bedroom in the calculation or exempting them from the rules.

### PERIOD OF AWARD

DHP funding is granted to the Council for the length of the financial year and awards cannot be made beyond 31 March.

The length of an award is not fixed; it can be for a short period of time to facilitate an already arranged move or to support someone's stay in an adapted property.

Awards due to LHA restriction are generally 13 weeks but may be longer and may be awarded more than once, depending on the individual circumstances. Where an extension is requested, the claimant must demonstrate that they have actively sought cheaper accommodation, for instance by registering on HomeLink, engaging with the Housing Advice Service, registering with a lettings agency or negotiating with their landlord.

Where there will be changes to restrictions due to imminent birthday changes, a DHP may be considered until those changes happen.

Awards to assist someone to stay in an adapted property or where the additional bedroom is being used for medical equipment or exercise equipment to support recovery or maintain existing health issues can be made until a change in conditions or until the end of the financial year.

A DHP cannot be awarded for any period where there is not an award of Housing Benefit.

### THE AWARD OF DHP

In deciding whether to award a DHP, the Council will take into account:

- The shortfall between Housing Benefit and the rental liability.
- Any steps taken by the claimant to reduce their rental liability.
- The financial and medical circumstances of the claimant, their partner and any dependants and any other occupants of the claimant's home.
- The income and reasonable expenditure of the claimant, their partner and any dependants or other occupants of the claimant's home.
- Savings or capital that might be held by the claimant.
- The level of debt of the claimant and their family.
- The exceptional nature of the claimant and their family's circumstances.
- The possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation.
- Any other special circumstances

The Council will reconsider a DHP award when there are any change in a claimant or household's circumstances.

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### APPEALS

DHPs are not payments of Housing Benefits so are not subject to the statutory appeals mechanism but a review process **must** be in place.

- The claimant or appointee/agent may dispute the decision in writing within a month of the decision being notified.
- The initial request for a 'Revision of Decision' will be passed to the Benefits Manager who will decide the outcome. If the outcome is in the favour of the claimant the DHP will be awarded or amended.
- If the decision is upheld not to award or amend, a letter will be issued to advise the claimant. The claimant will have a further month to ask for a second review.
- The Housing Advice Service Manager, who is independent from the Revenues and Benefits Service, will deal with the second review. If the outcome is in the favour of the claimant, the DHP will be awarded or amended and they will be notified in writing. If is not in their favour, they will be advised in writing with further options of the Council's Complaint's Procedure and in addition to this, information about asking for a Judicial Review.

Naomi Armstrong  
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