

Dudley Metropolitan Borough Council

Discretionary Housing Payments Policy

From April 2013

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1. Background

1.1 The Discretionary Housing Payment (DHP) scheme covers shortfalls between rental liability and payment of Housing Benefit and Universal Credit, and is used to support the most vulnerable customers who are in financial need.

Every claimant who is entitled to the minimum amount of Housing Benefit or Universal Credit and who has a shortfall is entitled to make a claim for help.

It should be noted that this is an interim scheme, as it is acknowledged that it will need to evolve and develop as welfare reform changes introduced by the Government start to affect the residents of the borough, and the level of ongoing Government funding after 2013/2014.

1.2 The main features of the scheme are that

- The claimant must evidence financial hardship
- the scheme is purely discretionary; a claimant does not have a statutory 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
- DHP's are not a payment of Housing Benefit or Universal Credit

For DHP to be considered there has to be a rental liability and Housing Benefit /Universal Credit must be in payment in the benefit week that a DHP is awarded for.

2. Finance

2.1 Annually there is a central government fund allocated to the Council for Discretionary Housing Payments. On top of this there is an overall permitted limit that the Local Authority contributes to if the need arises.

2.2 Nationally the Government has allocated £155 million to this fund.

2.3 For 2013/2014 the Government contribution available in Dudley is £494,398.

2.4 The additional funding given by the Government towards DHPs is not based on replacing lost benefits as a result of welfare reforms. To do so would undermine the purpose of the reforms.

3. Statement Of Objectives

3.1 A senior benefits assessor will consider making a payment of DHP to a claimant who meets the qualifying criteria, and have considered moving to other suitable alternative accommodation other than the property in which they currently live. There also has to be sufficient funding available to allow payment. A senior assessor will treat all applications on their individual merits and will seek through the operation of this policy to:

- encourage claimants to seek other accommodation
- help sustain tenancies and prevent homelessness
- alleviate poverty
- allow people to remain in their homes if it is practical to do so
- encourage residents of the Borough to obtain and sustain employment
- support vulnerable people in the local community
- Safeguard residents in their own homes
- Support domestic violence victims who are trying to move to a place of safety
- Promote good educational outcomes for children and young people
- Keep families together
- Help people who are trying to help themselves

3.2 DHP awards should generally be viewed as short-term emergency funds rather than an ongoing top up payment in addition to individual benefit entitlement, and should not be the solution to any future entitlement restrictions set out within Housing Benefit or Universal Credit legislation.

3.3 The DHP award is designed to give claimants time to take other action and make choices in their lifestyle which may assist their position. This may include looking for cheaper alternative accommodation, seeking budgeting or debt advice or adjusting to their changed circumstances.

4. Claiming a DHP

4.1 A completed claim form is required for verification purposes.

4.2 Verification of financial expenditure and evidence of effort to find other alternative accommodation will be required to assess eligibility.

5. Period of Award

5.1 In all cases the length of time for which a DHP will be awarded will be based on the particular circumstances of the case.

5.2 The start date of an award will normally be the Monday after the claim for a DHP is received.

5.3 The minimum period for which a DHP will be awarded is one week.

5.4 Where a claimant is affected by social sector size criteria legislation, and there are children who will reach a qualifying date for an extra bedroom in that year, on qualification, a DHP may be made up to the Sunday following their birthday.

5.5 Where possible when primary school aged children are involved, or in the case of older children, it is an examination year, a DHP may be paid until the end of the academic year.

5.6 Where a claimant or partner is pregnant, consideration will be given to the bedroom requirement needed once the child is born.

5.7 A DHP can be awarded for a period exceeding twelve months in exceptional circumstances with the agreement of the Assistant Director of Corporate Resources (Customer Services).

6. Awarding a DHP

6.1 In deciding whether to award a DHP the following factors may be considered:-

- If the claimants explored all the choices available to them financially
- Has the claimant explored other alternative suitable accommodation, both in the social rented and private rented sectors?
- If the claimant is registered on the Councils transfer or exchange list and has made bids on other appropriate properties
- Whether the property has been purpose built or substantially adapted for the needs of a resident disabled claimant
- If they are foster carers, including those between foster placements
- Any shortfall created by size criteria / Local Housing Allowance/ Benefit Cap changes
- The medical circumstances of the claimant, their partner and any other occupants of the claimant's home
- If the DHP will prevent homelessness and increase tenancy sustainment
- Any steps taken by the claimant to reduce rental liability
- The level of debt / loans of the claimant or their family, and the duration of the loan period
- The DHP award helps to sustain employment (including increased travel costs)
- Increases in essential work or school related travel because a customer or dependant has had to move home
- If the claimant has agreements for satellite or cable TV /mobile phones /gym fees etc the amount paid should be considered and may be classed as expenditure until the contract they are tied into ends, the DHP then may reduce
- Rent deposits and rent in advance (this can only be considered when the claimant is currently in receipt of Housing Benefit or Universal Credit.)

- Allowing DHP on two homes
- Shortfalls due to non-dependant deductions

6.2 Benefit Services will decide how much to award based on individual circumstances. Any 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.

6.3 Claimants should demonstrate that expenditure has been reduced or suitable alternative accommodation has been sought prior to a further award being made.

7. Repeat claims

7.1 Repeat claims will be considered on a case by case basis.

8. Ineligible amounts

8.1 DHPs cannot be paid for the following items: -

- A shortfall in income resulting from a permanent DWP sanction, including Job Seekers Allowance
- Ineligible service charges (including water charges)
- An increase in rent charges due to the recovery of rent arrears
- If any other expenditure deemed unnecessary has been undertaken by the claimant
- Rent, where the person is receiving a reduction in Council Tax through the council tax reduction scheme but not receiving Housing Benefit or Universal Credit
- Shortfalls caused by the recovery of Housing Benefit overpayments

9. Changes of Circumstances

9.1 Claimants have a duty to notify Benefit Services of any changes in circumstances.

9.2 It may be required to revise the amount of an award or the period a DHP is paid for where the claimant's circumstances change.

10. Backdating

10.1 Will be allowed in exceptional circumstances only by agreement with a senior Benefits manager.

11. Method of Payment

11.1 Payments of DHPs will be made to the payee of Housing Benefit. The frequency of payments will be made in line with the payment of Housing Benefit.

12. Notification

12.1 The claimant will be notified in writing of the outcome of their application. Where the application is successful the claimant will be advised:

- of the weekly amount of DHP awarded
- of the period of the award
- of the requirement to report a change of circumstances
- that repeat awards will only be made in exceptional circumstances

12.2 Where the application is unsuccessful the claimant will be given reasons why this decision was made.

13. The Right to a review

13.1 An applicant or their appointee can request a review of the decision. Reasons to request a review may include:

- That there has been a factual error based on the decision made
- That there has been an oversight on a significant piece of evidence
- That new evidence has been provided which was not included with the original application.

13.2 A request for a review must be made, in writing, within 1 calendar month of the date of the decision to the Council's Head of Benefits Services. The review will be conducted by a manager not involved in the original decision.

13.3 If, following a review, the applicant remains dissatisfied with the outcome, a request for a second and final review can be made, in writing, within 14 days of the date of the first review decision to the Assistant Director of Corporate Resources (Customer Services).

14. Overpayments

14.1 Any overpayment of DHP not caused by an 'official error' will be recoverable. The decision letter that notifies an overpayment will also set out the right of review.

15. Publicity

15.1 The scheme will be publicised. A copy of this policy is available on the Dudley Council web site.

16. Fraud

16.1 The Council is 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 it is suspected that a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.

17. Monitoring arrangements

17.1 As a result of the increased funding there is a DWP requirement to monitor how DHPs are being used to support customers affected by the welfare reforms, and provide a broad breakdown of expenditure.

17.2 Following a successful application for DHPs, we will record the main reason for the award, as detailed below:

- i) to support customer affected by benefit cap.
- ii) to support customer affected by social sector size criteria.
- iii) to support customer affected by LHA reforms.
- iv) any other reason.

18. Review of the Policy

18.1 This policy will be reviewed during the 2013/14 and will take into account the views of stakeholders.

18.2 The amount of DHP funding available will always be a determining factor for the ongoing review of this policy.