

# Discretionary Housing Payment Administration Framework 2017/18



# Contents

Background	4
Funding	4
DHP Manual and Procedure	4
Key Principles	4
DHP Administrative Framework	4
Purpose of the DHP Administrative Framework	4
Statement of Objectives	5
Claiming a DHP	5
Decision Making	6
Period of Award	6
Awarding a DHP	6
Change in Circumstances	6
Method of Payment	7
Notification	7
Right of Review	8
Service Standards	8
What a DHP cannot cover	8
Overpayments	9
Publicity	9
Fraud	9



## Background

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The Discretionary Housing Payments Scheme (DHP) was introduced on 2<sup>nd</sup> July 2001 and granted Local Authorities new powers to pay a discretionary amount to top up Housing Benefit or Council Tax Benefit. Legislation governing DHP is found in the Discretionary Financial Assistance Regulations 2001 (SI 001/1167).

The DHP scheme is only available to claimants who are entitled to payment of at least the minimum Housing Benefit/ housing element allowed.

## Funding

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The DWP provides local authorities with an annual cash limited fund to enable councils to provide discretionary “top up” help. The allocations of discretionary housing payment funding can only be applied to help with housing benefit/ element awards.

To help manage the impact of the government’s housing and welfare reforms the DWP has increased the amount of funding provided year on year but there is no certainty that this will continue.

## Restricted Groups

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Good practice tells us that some circumstances should give automatic entitlement to a DHP for those whose rent shortfall is caused by Social Sector Size Criteria (under occupation charge/ “bedroom tax”). These include –

- 100% DHP protection for households, where children are on an age threshold which would result in an additional bedroom entitlement within the next 12 months.
- 100% DHP protection for claimants who are within 12 months of pension credit qualifying age.
- 100% protection for claimants whose property has been significantly adapted via a Disabled Facilities Grant to meet their disability needs.
- 100% DHP protection for a pregnant mother claimant who is over 24 weeks pregnant who may shortly have an additional room entitlement up to the expected date of birth of the child.
- 100% DHP entitlement for terminally ill claimants.
- 100% DHP entitlement for claimants requiring an extra bedroom for a student studying at university providing the student is not in receipt of housing benefit and the bedroom is not sublet during their absence.
- 50% DHP entitlement for claimants requiring an extra bedroom under child access arrangements.

## The Benefit Cap

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Families checked by the benefit cap will be targeted to welfare business officer and offered the opportunity to apply for DHP. Verification of income/ expenditure is required. Such families will be offered support through a 'team around' approach with an appropriate range of individuals and organisations brought together with the family with the aim of making change.

## DWP DHP Guidance Manual and Local Procedures

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DWP produces a Local Authority Good Practice Guide. This offers advice on how DHPs can be used to support claimants affected by some of the key welfare reforms paying particular attention to those affected by the benefit cap, removal of spare room subsidy in social rented sector (under occupation charge or 'bedroom tax') and reductions in Local Housing Allowance.

The manual does not stipulate how DHP should be administered and leaves Local Authorities to make local decisions on administrative practice.

The Hub follows a DHP procedure which sees all applications for DHP channelled through the Hub with award decisions made by the Hub (including any additional support claimants may require). The actual calculation and processing of their payment is undertaken by the Revenue and Benefits team.

## Key Principles of the DHP Guidance Manual – Good Practice Guide

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The updated DHP Guidance Manual covers a number of key areas that need to be considered in the administration of DHP. These include –

LAs need to follow all relevant financial regulations however remain flexible in their decision making. They need to be fair, reasonable and consistent in their decision making. Locally this needs to be:

- Support towards housing costs does not only mean rent liability. It can include rent in advance, deposits and other lump sum costs to assist a move such as removal costs.
- A DHP can be made on more than one home where an applicant is temporarily absent from their home, perhaps due to a crisis (eg fleeing domestic violence).
- It cannot cover rent arrears, service charges, certain sanctions or reductions in benefit.
- The length of the award and the frequency of payment are at the LAs discretion.
- An LA may decide to disregard certain income such as related benefits which are awarded for a very specific reason
- There is no right to appeal- an applicant can ask for a reconsideration.

## DHP Administrative Framework

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- The administration of the scheme is managed by the Hub and they are the overall budget holder. The Hub received all requests for DHP and makes decisions. The Revenue and Benefits Service undertakes calculation and payments of subsequent DHP awards.
- The scheme is of a discretionary nature; a claimant has no statutory right to payment and no statutory right to appeal.
- The total amount an Authority can pay out in any financial year is cash limited by the Secretary of State.
- The policy is predicated on the assumption that Council policy will not provide any additional funding on top of the DWP annual funding, allocation for DHP's.
- Discretionary Housing Payments are not payments of Housing Benefit/Housing element, but at least the minimum amount of Housing Benefit/allowance must be in payment for each week a Discretionary Housing Payment is made.
- At least the minimum amount of Housing Benefit/element must be in pay.

## Purpose of DHP Administration Framework

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The purpose of this policy is to specify how Hartlepool Borough Council's children's Hub will operate the DHP scheme and to outline some of the factors to be taken into account when considering awarding a DHP.

The Hub is committed to working with Hartlepool Borough Council's Revenue and Benefits Team, Housing Advice Team, The Third Sector, Registered Providers, and other interested parties with a view to maximising entitlement to all available state benefits and this will be reflected when administering the DHP scheme.

The scheme will operate in an equitable and fair way. Prior to any award, claimants will be encouraged to take up all other available financial assistance to which they may be entitled and will be signposted to any agencies in the Borough that can assist them to do so.

## Statement of Objectives

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The Hub will consider making a DHP to all claimants who meet the qualifying criteria set out in this policy. All applications will be treated on their individual merits and the Hub will seek, through operation of this policy to:

- Help those adversely affected by the government's Welfare Reform programme.
- Reduce homelessness and alleviate poverty.
- Help claimants through personal crises and difficult events.
- Support vulnerable residents in the local community.

- Support vulnerable young residents in the local community in the transition to adult life.
- Keep families together.
- Safeguard Hartlepool residents in their own homes.
- Encourage Hartlepool residents to obtain and sustain employment.
- Assist Hartlepool residents to obtain and sustain tenancies.
- Help those who are trying to improve their circumstance.

The DHP scheme is seen by the Hub to be a short term emergency fund. It cannot and should not be considered as means of circumventing current or future entitlement restrictions set out in Housing Benefit/ Localised Council Tax Reduction Schemes and Universal Credit legislation. DHP should be seen as part of an overall action plan to make changes to a tenants' financial/ housing situation.

Careful scrutiny and financial management of the DHP fund will ensure that funds are available throughout the year to support DHP claimants where appropriate and to direct the extra funding towards DHP claimants who have a new or greater shortfall to meet due to the changes from Welfare reforms listed above.

### Claiming a Discretionary Housing Payment

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A claim must be made in writing and signed by the claimant using a current DHP application form.

- Application forms can be collected from the Civic Centre.
- The Hub may request any reasonable evidence (e.g. receipts/proof of expenditure) in support of a DHP application.
- Evidence already held in connection with Housing Benefit claims will be taken into account.
- The Hub reserves the right to verify any information or evidence already held.
- The Hub reserves the right to signpost the claimant to Compass (Housing Options) to seek help to obtain housing in the social sector or cheaper housing within other sectors, especially where the claimant is under 35.
- The Hub reserves the right to signpost the claimant to support and advice appropriate to the individuals' circumstances and to seek confirmation that engagement has taken place.
- The Hub will ensure that all fully completed DHP forms are prepared and take to panel for consideration.

## Decision Making

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DHP panel meets weekly. The meeting is minuted for audit purposes and to ensure all decisions are recorded within the Hub.

DHP Panel consists of a minimum of three people including –two Officers and/ a Hub supervisor/ manager. In addition other appropriate professionals may attend including those that have an understating of a particular clients' case.

Final decisions remain the responsibility of the Hub.

Requests for reconsiderations are reviewed by a senior manager that was not present at the original decision making meeting. In the majority of cases this will be The Head of Service where appropriate.

Referral and signposting to outside agencies (e.g. debt advice, housing advice) will be made where appropriate, focusing in particular where a DHP will not resolve serious underlying financial problems.

## Period of Award

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The Hub will decide on the length of time for an award, based on the evidence supplied and the facts known.

The start date of an award will normally be:

- The Monday after the written claim for a DHP is received.
- The date on which entitlement to Housing/Universal Credit commenced (where the application is received within one calendar month of a claim for Housing/Universal Credit being decided), whichever is the earlier or most appropriate.

A DHP can only be made for an existing Housing Benefit/Universal Credit award and cannot be paid for any other time.

- The minimum period of an award will be one week.
- For prioritised cases awards may be made for up to 52 weeks.
- Awards may be made on a sliding scale to assist with budgeting and to avoid “cliff edge” reduction in income when the DHP ends.
- DHPs may be for the whole rent shortfall or part of that amount and it is not unreasonable to ask the applicant to help pay a proportion of their shortfall in rent themselves.
- Reasonable requests for a backdated award will be considered but will usually be limited to the current financial year.
- Priority may be given to those most adversely affected by Welfare Reform



- Priority may be given to those who actively show engagement with other agencies (e.g. such as Housing) who can demonstrate that they are taking reasonable steps to improve their circumstances.
- DHPs are not restricted to shortfalls in rent. A DHP award can be made to support an applicant move to more appropriate accommodation that meets their financial circumstances and can include – rent in advance, deposits, removal costs and minor works to a new property to make it tenant ready (e.g. fitting a new carpet/curtains).

### Awarding a Discretionary Housing Payment

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The decision making process will include consideration of the following:

- All applicants will be subject to an income/expenditure assessment the only exception being those set out under restricted groups.
- Disability Living Allowance, Personal Independence Payments, Attendance Allowance, War Pensions and Child Maintenance will not be included in the income assessment.
- The shortfall between Housing Benefit/UC/funds available to pay rent and the gross rental liability.
- Any steps taken by the claimant to reduce these liabilities e.g. negotiating a reduction in gross rent, attempts to reduce household expenditure.
- Impact of Welfare Reform.
- Compliance with reasonable requests to engage with others to improve circumstances e.g. housing, work activity providers, debt advice.
- The financial circumstances of the claimant and all members of the claimant's household.
- The medical circumstances of the claimant and all members of the claimant's household.
- Any savings or capital available to the claimant and all the members of the claimant's household.
- The level of debt owed by the claimant and all of the claimant's household.
- Any exceptional circumstance of the claimant and all of the claimant's household.
- The amount available in the Discretionary Housing Payment fund at the time of the application.
- The possible impact of not making an award.
- Any other special circumstances brought to the attention of the Hub.

The Hub will decide on the amount and length of the award and no guarantee can be given that a further award will be made.



## Changes in Circumstances

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An award may be revised or withdrawn where the claimant's circumstances have materially changed.

## Method of Payment

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The Advice and Guidance Hub will decide on whom to pay on a case by case basis. This may include:

- The claimant
- The Claimant's partner
- An appointee
- The landlord or agent of the landlord
- Any third part where it is appropriate to do so.

The method of payment may include:

- By BACS or cheque
- By crediting the Rent Account

The payment frequency may fall in line with the Housing Benefit /Universal Credit payments.

In the case of Universal Credit applicants, their DHP will be paid wherever possible to the landlord.

## Notification

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Once a decision is made, the claimant will be notified in writing. This will be undertaken by the Revenue and Benefits Service who will strive to do so within 14 days of panel.

Where the application is unsuccessful, the notification will include:

- The reason for the decision
- The right to ask for a review, although there is no actual right of appeal

Where the application is successful, the notification will include:

- The weekly amount of the award
- The period of the award
- Whether it will be paid in arrears or in advance
- The payment method, date of payment and the payee
- The need to report a change in circumstance.

## The Right of Review

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DHPs are not payments of Housing Benefit/element and are not subject to any statutory appeals mechanism. Councils are expected to set up an appropriate review process.

Any request for a review will be subject to the following policy:

- The claimant (or the claimant's appointee/agent) who disagrees with a decision about a DHP may dispute the decision.
- Disputes must be requested in writing and will be considered where they are received by the Hub within one calendar month of the written decision being issued to the claimant.
- Disputes will be considered by the Head of Service – whichever was not involved in the first decision.
- The outcome will be notified in writing.

## Service Standards

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The Hub will endeavour to process 100% of applications for DHPs within four weeks of the applicant providing full information.

## What a DHP cannot cover

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There are certain parts of rent that cannot be included in housing costs for the purposes of a DHP because the law excludes them. These are as follows:

- Ineligible service charges
- Increased in rent due to outstanding arrears
- Certain benefit sanctions
- The fund cannot be used in respect of Council Tax Support (the local scheme which replaces Council Tax Benefit)
- Overpayments of Housing Benefit.

## Overpayments

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The Revenue and Benefits Service will seek to recover any DHP found to be overpaid. The method of recovery will generally be by invoice but reduction in weekly Housing Benefit will be considered where a request is received in writing. Generally any overpayments caused by official error will be treated as not recoverable. Overpayments will be notified in writing and have a right of review.

## Publicity

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The Hub will publicise the DHP Scheme and will work with all interested parties to achieve this. Information relating to the amount spent will be made available at the end of each financial year.

## Fraud

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The Hub and the Revenue and Benefits Service are committed to prevention and detection of fraud. Where false statements or false evidence is used to obtain payment by way of the DHP Scheme then an offence may have been committed. Where fraud is suspected, the matter will be investigated appropriately and this may lead to criminal proceedings being instigated. The Benefits Service has a duty to protect public funds we handle, and so may use information given to prevent and detect fraud and may give some information to other organisations where the law allows.

