



**HARTLEPOOL**  
**BOROUGH COUNCIL**

# Discretionary Housing Payment Administration Framework

**2018/19**



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## 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. The scheme no longer supports Council Tax. 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 or Universal Credit 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 help. The allocation of discretionary housing payment funding can only be applied to help with Housing Benefit/ Universal Credit housing 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
- 100% DHP entitlement to Care Leavers who are unable to secure a one bedroom tenancy and are therefore subject to an under occupation charge; DHP awards to Care Leavers may include support with the cost of bonds, rent in advance and starting up their own tenancy
- 50% DHP entitlement for claimants requiring an extra bedroom under child access arrangements.

### The Benefit Cap

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Families affected by the benefit cap will be proactively contacted and offered the opportunity to apply for DHP. Verification of income/expenditure may be 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 guidance manual is increasingly promoting the need to use DHP flexibly and is now able to show examples of case law where DHP allocation has been challenged in the courts. This is extremely useful in enabling the Local Authority to keep its decision making up to date and reflective of need.

The Children's Hub has a Welfare Support Team who support service users with a range of services. A DHP procedure is in place which allows all applications for DHP to be channelled through the Hub with award decisions made by the Welfare Support team. This includes any additional support that 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 must 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.

Locally this can mean:

- 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 (e.g. fleeing domestic violence)
- Recent case law ('Gargett v Lambeth') has confirmed that DHP can cover rent arrears where the applicant had an underlying entitlement to DHP at the time the arrears accrued
- It is not able to be used to cover service charges, certain sanctions or reductions in benefit
- The length of the award and the frequency of payment are at the local authority's discretion
- A local authority may decide to disregard certain income such as related benefits which are awarded for a very specific reason (e.g. Personal Independence Payments)
- There is no right to appeal however an applicant can ask for a reconsideration.

## DHP Administrative Framework

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- The administration of the scheme is managed by the Welfare Support team and they are the overall budget holder. The team receives all requests for DHP and makes decisions
- The Revenue and Benefits Service undertakes relevant calculations and arranges 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 the Council will not provide any additional funding on top of the DWP annual funding
- Discretionary Housing Payments are not payments of Housing Benefit/Universal Credit Housing element

- An underlying entitlement to Housing Benefit or Universal Credit housing allowance must be in place at the time of application.

### **Purpose of DHP Administration Framework**

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

The team 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 Welfare Support team 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 team 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 circumstances.

The DHP scheme is a short term emergency fund. It cannot and should not be considered as a 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 and/or 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. Funding will be targeted at vulnerable residents and is available to all those adversely affected by welfare reform.

### **Homeless Reduction Act 2018**

New legislation came into force in April 2018 placing new burdens on the local authority to tackle homelessness. The Housing Advice team are part of The Children's Hub and as such are able to work alongside the Welfare Support team to reduce homelessness and alleviate poverty.

The Housing Advice team will identify vulnerable people that require their support. DHP offers a good opportunity to support some of the most vulnerable tenants and can offer a sense of security as they are supported to sustain their tenancy.

The Housing Advice team will help suitable applicants access DHP and represent their applications at panel. In exceptional circumstances the Principal Housing Officer/ Senior Officer(s) may require an urgent DHP award to be made to prevent homelessness or to secure a tenancy. Such decisions will be made with the support of the Head of Service or other team manager within The Children's Hub. Evidence of application and decision making will be recorded.

### **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. In exceptional circumstances a claim can be made verbally however a written application would then follow. Efforts will be made to release an online application form this financial year.

- Application forms can be collected from the Civic Centre or online at [www.hartlepool.gov.uk](http://www.hartlepool.gov.uk)
- Some community facilities hold copies of the application form (e.g. CAB, WVARC)
- The Welfare Support team may request any reasonable evidence (e.g. receipts/proof of expenditure) in support of a DHP application; receipts will only be requested where expenditure appears higher than average



- Evidence already held in connection with Housing Benefit claims will be taken into account
- The team reserves the right to verify any information or evidence already held
- The team 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 team will ensure that all fully completed DHP forms are prepared and taken 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.

DHP Panel consists of a minimum of three people including two officers and a supervisor/ manager. At least one member of panel will be independent of the Welfare Support team but a member of the wider Children's Hub team. In addition other appropriate professionals may attend including those that have an understating of a particular clients' case.

Final award decisions remain the responsibility of the Welfare Support team.

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 on those cases where a DHP will not resolve serious underlying financial problems. Consent will be gained before such referrals are made.

## Period of Award

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The Welfare Support team will decide on the length of time for an award, based on the evidence supplied and the facts known. It makes good administrative sense to make some awards for longer periods of time where it is clear that the applicants' situation is unlikely to change. The maximum length of any award can be 12 months and no guarantee can be given that a further award will be made.

The start date of an award will normally be:

- The Monday after the written claim for a DHP is received or



- The date on which entitlement to Housing/Universal Credit housing allowance commenced.

A DHP can only be paid where there is an underlying entitlement to Housing Benefit/Universal Credit housing allowance and cannot be paid at 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 Advice Team) 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/Universal Credit housing allowance, the applicants own funds that are 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 Welfare Support team.

### 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 team will decide who 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 aim 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/Universal Credit housing 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 team within one calendar month of the written decision being issued to the claimant
- Disputes will be considered by the Head of Service assuming they were not involved in the first decision
- The outcome will be notified in writing.

## Service Standards

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The team will endeavour to process applications for DHP within four weeks of the applicant providing full information.

## What a DHP cannot cover

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The aim is to make DHP as flexible and accessible as possible, however there are certain things that cannot be included for the purposes of a DHP because the law excludes them. These are as follows:

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

## Overpayments

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Where an applicant purposely set out to deceive the local authority 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 may be considered. 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 Welfare Support team 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. Outreach activity is encouraged to enable DHP reach more people.

## Fraud

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The Welfare Support team 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 Local Authority has a duty to protect public funds, and so may use information given to prevent and detect fraud and may give some information to other organisations where the law allows.