

# Dacorum Borough Council - Discretionary Housing Payments

## Background and legislation

The discretionary housing payments scheme (DHP) allows the Council to give extra help to qualifying tenants in addition to the statutory housing benefit and universal credit schemes. The scheme was introduced as part of the Child Support, Pensions and Social Security Act 2000. Further rules can be found in the Discretionary Financial Assistance Regulations 2001.

Each year, the Council is given a grant from central government to contribute to the DHP budget. Under the terms of the regulations, the maximum that the Council can spend on DHP is 2½ times the government grant. Local authorities are expected to contribute to this from their General Fund.

This policy sets out how the Council will operate the DHP scheme, and the factors that will be considered when deciding whether to make an award.

## What are discretionary housing payments?

DHPs provide further help with housing costs in addition to a person's entitlement to housing benefit or universal credit. This means that extra support can be given on the basis of individual circumstances which are not taken into account in the main benefit schemes. They can only be paid to someone who is entitled to either housing benefit or universal credit for the period in respect of which they receive the DHP.

Housing costs covered by the DHP scheme include:

- rental liability;
- rent in advance or deposits;
- other lump sum costs associated with a housing need such as removal costs.

DHP can't be given to help with:

- mortgage costs;
- council tax;
- service charges that you can't get housing benefit for (for example water rates);
- increases in rent to pay off rent arrears;
- some reductions in benefit (for example to recover overpayments, or as a result of fraud).

These are not exhaustive lists. The benefits service will be able to give more information about specific types of housing cost not mentioned here.

## **How will Dacorum Borough Council use discretionary housing payments?**

We will use DHP to support the Council's key priorities, in particular **Affordable Housing** and **Building Community Capacity**.

We will do this by using DHP to:

- prevent evictions and homelessness;
- help tenants move to more financially sustainable accommodation;
- alleviate poverty;
- support people with disabilities to remain in homes which have been adapted for their use;
- support vulnerable tenants to remain in their homes;
- support tenants affected by welfare reform changes.

"Vulnerable" has the same meaning as defined in our Local Council Tax Support Scheme 2013/14. It means:

- the tenant, their partner, or a child who lives with them is disabled;
- the tenant has a child under five; or
- the tenant or their partner receives a war widow's or war disablement pension.

### **Claiming a discretionary housing payment**

The regulations mean that a customer must make a claim in order to be considered for DHP. A claim form is available by contacting the benefits service.

There is a referral process from the homelessness service to the benefits service. This ensures that priority cases are identified and evictions are prevented where possible.

We will ask for reasonable evidence in support of the application, and may ask the customer to attend an interview to discuss their personal or financial circumstances.

### **Who will make the decision, and how long will it take?**

Each decision will be made by two benefits lead officers. Details of the decision and reasoning will be recorded on the benefits document management system.

We aim to make a decision within two weeks of receiving all the information we need to make a decision.

## **What will be taken into account when the decision is made?**

Each application will be considered on its own individual merits. The following will be considered:

- how the application fits within the Council's priorities detailed above.
- the amount of any shortfall between the customer's housing benefit or universal credit award and their eligible rent.
- any medical circumstances (including ill health and disabilities) that affect the customer or the customer's household.
- any action being taken by the customer to reduce their housing costs, or increase their income.
- if the customer has previously been awarded a DHP, whether they have met any conditions which were part of that award.
- the income and expenditure of the customer and the customer's household.
- any priority debts held by the customer or the customer's household. These include:
  - rent arrears;
  - gas, electricity and water arrears;
  - council tax arrears;
  - court fines;
  - arrears of child support maintenance;
  - income tax or VAT arrears;
  - TV Licence arrears.
- any other special circumstances raised on the application.

The information provided in support of the DHP application will also be used to check that the customer is receiving the correct amount of housing benefit or universal credit.

## **How much discretionary housing payment will be awarded, and how long will the award last?**

The amount of a DHP will depend on the individual circumstances of the customer. It may be paid as a lump sum to contribute towards removal costs or a deposit for a new tenancy. If it is awarded to support ongoing rent costs, the DHP will usually be no more than the difference between the housing benefit award and the eligible rent charge. The amount of DHP will not always cover the whole of this shortfall.

Initial awards of DHP will usually be for a period of 13 weeks. However, we recognise that it may sometimes be appropriate to make longer awards. Awards will not usually cross from one financial year to another because the central government funding is allocated to a specific financial year. The annual uprating of benefits may also lead to significant changes in the amount to be awarded.

Awards are conditional on customers taking such actions as deemed appropriate by the benefits service. These may include:

- seeking financial advice from a relevant agency (such as Citizens' Advice);
- seeking alternative accommodation;
- reducing their weekly expenditure; or
- attending a relevant training course.

If these conditions are not met, the award of DHP may be ended early, or a further award of DHP may not be given.

### **When will an award of discretionary housing payment start?**

Any award will normally start from the Monday after the date we receive the claim form.

In exceptional circumstances we will consider starting from up to three months before the date we receive the claim form. For the award to be backdated, the customer must have received housing benefit or universal credit throughout the whole period covered by the claim.

### **How will discretionary housing payment be paid?**

We will usually pay DHP in the same way as we are paying housing benefit for the customer. This means it may be paid to the customer or their landlord by bank credit, or credited to their rent account.

### **How will customers be notified about discretionary housing payment decisions?**

We will send a letter giving details of our decision. The letter will contain the following information:

- whether or not a DHP will be paid;
- amount of DHP awarded;
- start and end dates of award, or whether a lump sum payment has been awarded;
- details of any conditions attached to the award;
- who the award will be paid to;
- how the award will be paid;
- when the award will be paid;
- if unsuccessful, reasons for refusing the award;
- details of the review process.

## **What will happen if a customer is not happy with the decision?**

If a customer is unhappy with the Council's decision, they can request a review. This must be made in writing and be received within one month of the original decision date.

Disputed decisions will be reviewed by a multi-service panel made up of a minimum of two of the following officers, at least one of which will be from the benefits service:

- benefits processing team leader (benefits service);
- revenues and benefits support team leader (benefits service);
- housing advice and homelessness team leader (strategic housing service);
- team leader (income) (tenant and leaseholder service);
- group manager revenues, benefits and fraud (benefits service).

The panel will be able to change any aspect of the decision, including:

- start and end dates;
- amount of award;
- to whom the award will be paid;
- conditions attached to the award.

The panel will meet fortnightly as required. The decision of this panel is final.

## **Responsibilities of customers receiving discretionary housing payments**

Customers have the responsibility to inform the benefits service of any change in their circumstances while they are receiving a DHP. This is in addition to their responsibility to advise the benefits service of changes which may affect their housing benefit award.

Customers must also meet any conditions which have been attached to the award.

If a change of circumstance takes place and this means the customer has been paid too much DHP, this will be recovered by invoicing the customer.

## **What happens when an award of discretionary housing payment ends?**

If a customer wants a further award of DHP they must complete a new claim form. This will be considered in the same way as their initial claim, but with more weight being given to how well they have met any conditions which formed part of their previous award.