



# **Staffordshire Moorlands District Council Discretionary Housing Payment (DHP) Policy**

Policy document effective from 1 April 2024

Revenues and Benefits Team

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## **1. Purpose of the policy document**

The purpose of this policy is to provide guidance on how the funding for Discretionary Housing Payments (DHP) will be administered.

## **2. What are Discretionary Housing Payments?**

A DHP may be awarded in circumstances where a claimant requires further financial assistance towards their housing costs and they are in receipt of Housing Benefit or the Housing Costs element of Universal Credit.

- 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;
- The administration of the scheme is for the Benefits Team to determine; and
- DHPs are not a payment of Housing Benefit or Universal Credit. However, the minimum amount of Housing Benefit or Housing Element of Universal Credit must be in payment in the benefit week that a DHP is awarded for.

## **3. Objectives of the scheme**

The DHP Scheme provides an amount of funding to deal with anomalies and hardship in situations where residents need further help with their rent.

Before making a DHP to help support residents with financial assistance of their housing cost, the authority must be satisfied that the claimant is entitled to:

- Housing Benefit; or
- Universal Credit; and
- has a rental liability and is in receipt of the housing element.

Each case will be treated strictly on its own merits and all residents will be treated equally and fairly when the scheme is administered.

The Council is committed to working with the local voluntary sector, social landlords and other interested parties within the district, to maximise entitlement to all available state benefits and make proper use of the DHP scheme to:

- Alleviate poverty;
- Sustain tenancies and prevent homelessness;
- Encourage and sustain people in employment;
- Keep families together;
- Prevent child poverty;
- Support the vulnerable in the local community;
- Help claimants through a personal crisis or difficult event;
- Support households that are returning to work after a period of unemployment;

- Support those who are in affordable housing but at risk of becoming homeless due to being unable to meet their full rent liability;
- Support foster carers who have a spare room for a potential foster child; and
- Support disabled people living in accommodation that has been substantially adapted for their needs.

## 4. Legislation

Primary Legislation: The Child Support, Pensions and Social Security Act 2000.

Regulations:

Discretionary Financial Assistance Regulations 2001

Discretionary Housing Payments (Grants) Order 2001 (as amended).

Reference is also made to the guidance manual published by the government on the following link.

<https://www.gov.uk/government/publications/discretionary-housing-payments-guidance-manual/discretionary-housing-payments-guidance-manual>

## 5. Funding

The amount of Discretionary Housing Payment that a council can make is determined each year by the Department for Works and Pensions. Councils are advised of the amount of funding annually.

A Local Authority can “top-up” the funding by 2.5 times the government contribution.

The budget allocation is made up of four categories: General Hardship, Removal of the Spare Room Subsidy, Benefit Cap, and Local Housing Allowance reforms. The spending of these categories is monitored and quarterly returns are submitted.

## 6. What do Discretionary Housing Payments cover?

The Council expects payments to be made in unusual or extreme circumstances where additional help with current rent or provision of a deposit will have significant effect in alleviating hardship, reducing the risk of homelessness or alleviating difficulties that may be experienced in the transition from long term benefit dependence into work.

You can apply for DHP to assist with the following:

- (a) A shortfall in rent between the amount of rent due and the amount of Housing Benefit or Universal Credit housing costs you receive due to:
  - Reductions due to the spare room subsidy;
  - Reductions as a result of Local Housing Allowance restrictions;
  - Rent Officer Restrictions such as local reference rent or shared accommodation rate; or
  - Income tapers;

- (b) A rent deposit and/or rent in advance. Retrospective payments will only be considered where there are extenuating circumstances;
- c) Contribution towards moving costs when a claimant begins renting a new property and non-payment would prevent the claimant moving in;
- d) Contribution towards rent costs at a new temporary licensed accommodation where a claimant's move has been unavoidably delayed through no fault of their own;
- e) Restrictions due to the benefit cap;
- f) Income taper;
- g) Disabled people subject to under-occupancy living in accommodation that has been substantially adapted for their needs;
- h) Non dependant deductions; and
- i) Rent arrears under extenuating circumstances.

Any other policy changes that limit the amount of HB payable.

A DHP may be awarded as a one-off payment or as a series of payments.

It is the Government's intention that claimants take positive action to improve their financial situation through finding work, increasing the hours they work and/or move to more suitable accommodation. Discretionary Housing Payments are short term financial assistance to 'bridge the gap' whilst people improve their personal situations.

**DHPs cannot be used for help with:**

- Ineligible service charges;
- Increases in rent due to outstanding rent arrears;
- Repayment of overpayment of Housing Benefit; or
- Offsetting a reduction in benefit payable due to other benefit sanctions.

**Rent deposits and rent in advance**

DHPs may be awarded for a rent deposit or rent in advance for a property that the claimant is yet to move into, if they are already entitled to Housing Benefit or the Housing Element of Universal Credit at their present home. However, we may take other circumstances into consideration when making a decision.

When awarding DHPs for a rent deposit or rent in advance, the authority should be satisfied that:

- The need is explicitly linked to preventing or resolving homelessness;
- The property is affordable for the tenant; and
- The tenant has a valid reason to move; and
- The deposit or rent in advance is reasonable.

The authority should consider that it may not always be possible for the claimant to seek the most affordable accommodation, i.e. someone fleeing the home due to domestic violence needs to seek a place of safety such as a refuge service.

Once a DHP has been made to the claimant for a deposit or rent in advance, the legislation does not require the claimant to repay this to the authority at the end of the tenancy.

### **Two Homes/Temporary Absence**

The regulations permit a person to have help through a DHP award with rent due on a property they have moved into when treated as temporarily absent from their home e.g. the claimant has moved due to domestic violence. If the claimant is liable for the rent on both properties and in both cases there is a shortfall, a DHP could be awarded in respect of both properties subject to the weekly limit on each property.

## **7. Claiming a Discretionary Housing Payment**

A claim for a DHP must be made via an application form. In exceptional circumstances, a request may be accepted without the need for an application form.

On request or in appropriate circumstances, the Council will issue the claimant with a DHP application form. The claimant will be required to return the form to the Council within one month of its issue and will be encouraged to include any relevant supporting evidence.

The Council may request any reasonable evidence in support of an application for a DHP. The claimant will be asked to provide the evidence within one month of such a request, although this will be extended in appropriate circumstances. Sufficient evidence will need to be obtained to enable the decision-maker to compare income against outgoings to identify where there is a shortfall.

If the claimant is unable to or does not provide the required evidence, the Council will still consider the application and will in any event take into account any other available evidence including that held on the Housing Benefit file. The Benefits Team reserves the right to verify any information or evidence provided by the claimant in appropriate circumstances.

## **8. Awarding a Discretionary Housing Payment**

Decisions are restricted to certain Benefits Officers, so that the fund can be closely monitored and to ensure that there is consistency in the decision making process.

Essentially, the Council will compare the household income and expenditure to see whether the claimant is in need of further financial assistance to meet their housing costs. Each decision reached is “discretionary” and is not governed by strict regulations, although the Council will ensure that all decisions made are impartial and reasonable.

The regulations regarding the treatment of income in Housing Benefit and Universal Credit claims do not apply in the DHP decision making process. Therefore, the Council may decide to count income into a DHP calculation that might have been disregarded in the Housing Benefit or Universal Credit assessment e.g. Child Benefit, Maintenance Payments and Disability Living Allowance/Personal Independence Payments received by any member of the household. (As any

additional expenditure associated with their disability will have been taken into account in their outgoings).

Similarly, the Council can use its discretion when determining if the expenses are reasonable. Any decisions made about a person's expenditure will be done on an individual basis and may require some additional clarification by the Council.

In deciding whether to award a DHP, the Benefits Team will consider:

- The shortfall between Housing Benefit or Universal Credit and the rental liability.
- The steps being taken by the claimant to reduce their rental liability. There is an expectation that applicants will need to find ways of making up any shortfall themselves if they do not wish to move to a more affordable property. Where a claimant has refused the allocation of more suitable affordable accommodation, a DHP will not be paid.
- The steps being taken by the claimant to increase their income or manage their outgoings.
- The medical circumstance of the claimant; their partner and any dependants and any other occupants of the same household. Disability related benefits are intended to be used to help pay for the extra costs of disability; and as such money might already be committed to other liability such as Mobility schemes, provision of care etc.
- The income and expenditure of the claimant, their partner and any dependants or other occupants of the claimant's home.
- Any savings or capital that might be held by the claimant or their family.
- The level of indebtedness of the claimant and their family's circumstances.
- The amount available in the DHP budget at the time of the application.
- The possible impact on the Council of not making such an award, e.g. pressure on priority homeless accommodation.
- Any other special circumstances brought to the attention of the Benefits Team.
- Families with children at a critical point in their education.
- People going through the approval process to become foster carers who may need to show that they have a spare room to be approved. If a DHP was awarded on this basis, it would be up to the claimant to inform the Benefits Team of a change of circumstances if, for example, they were not approved subsequently.
- Families with kinship care arrangements. Children who go into the care of family and friends are often extremely vulnerable and will usually benefit from the stability of remaining in a familiar area and continuing to attend their local school.
- Families with a child temporarily in care but who is expected to return home. What constitutes temporary will be at the Authority's discretion.
- Young people leaving local authority care.
- Families with a social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project.
- People who have had to flee domestic violence or have moved because of the threat of violence in another area.
- Where someone in the household is expecting a baby (including those in shared accommodation currently or subject to an under-occupation reduction).

- Ex-homeless people being supported to settle in the community.
- People with health or medical problems who need access to local medical services or support that might not be available elsewhere.
- People with disabilities who need, or have had, significant adaptations made to their property, or where they are living in a property particularly suited to their needs.
- Where the claimant or someone in the household has a disability which requires them to have a larger property than would usually be the case for the size of their household due to, for example, a medical condition or where a child has a particular disability that might mean they are unable to share a bedroom.
- People with disabilities who receive informal care and support in their current neighbourhood from family and friends which would not be available in a new area. In this respect the authority may also consider families who have a child with a disability who rely heavily on local support networks.
- Households with disabled children who require an overnight carer.
- The elderly who have lived in the area for a long period of time and would find it difficult to establish support networks in a new area.
- People who need to live near their jobs because they work unsocial hours or split shifts; or where moving home may mean living in an area where public transport would be inadequate to enable them to sustain their current job.
- Any payments already made towards rent cost by Housing Benefit or Universal Credit to avoid duplication of payment.

### **Expenditure and capital**

When considering expenditure, the Council will take into account 'expenditure of luxury items'. These items should be considered on an individual case basis, the claimant may not be able to dispose of a luxury item quickly, or they may have good reason for requiring the item. However, where an item is clearly unnecessary, we should not include the item as part of the claimant's expenditure.

Where the claimant holds capital, the officer must use their discretion to decide whether the level of capital warrants refusing the claimant's DHP application. Consideration should be given to the fact that the capital may be reserved for a reasonable future expense, such as a bond or rent in advance in respect of cheaper accommodation.

### **9. Award period**

Awards are normally expected to last for a fixed period of between 13 weeks and up to 52 weeks. However, a long term award may be paid, particularly where the current home has been adapted to meet the needs of a family with substantial and continuing disability. It is not, and should not be, considered as a way around any current or future entitlement reductions set out within legislation. In all cases, a decision will be made on the length of time for which a DHP will be awarded, based on evidence supplied and the facts known.



- A DHP cannot be awarded for any period outside an existing Housing Benefit or Universal Credit period granted under the Housing Benefit or Universal Credit statutory schemes. We may consider rent arrears cases in extenuating circumstances where neither have been in payment;
- The minimum period for which the Council will award a DHP is one week;
- The Council will usually award a DHP for not less than 13 weeks;
- The Council will consider any reasonable request for backdating an award of a DHP but such consideration will usually be limited to the current financial year; and
- The Council will decide how much to award based on all the claimant's circumstances. An 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.

### **Backdating an award**

The Council will consider each claim on its own merits when deciding whether or not to backdate a DHP. Unlike Housing Benefit or Universal Credit, there are no rules on backdating, but the Council will act consistently.

## **10. Notification of an award**

The Council will inform the claimant of the outcome of their application within 14 days of receipt of all of the information being received. Where the application is unsuccessful, it will set out the reasons why this decision was made and explain the right of review. Where the application is successful, the claimant will be advised of:

- The weekly amount of DHP awarded;
- The period of the award;
- How, when to whom the award will be paid; and
- The requirement to report a change in circumstances.

Where claimants have been identified as struggling to manage their financial affairs, appropriate referrals will be made and claimant signposted to organisations offering independent advice e.g. Citizens Advice Bureau and a National Debt Helpline.

Where claimants are experiencing a shortfall in their housing costs due to restrictions implemented as part of the welfare reform and associated with their accommodation, their details will be passed the Council's Housing Advice Team. They will be able to provide further advice and possibly be able to help the claimant find a more suitable place to live or assist the claimant in keeping their current home.

## **11. Changes in circumstances**

The Council will need to revise an award of a DHP where the claimant's circumstances have changed materially.

## **12. Method of payment**

The Council will decide the most appropriate person to pay based upon the circumstances of each case.

This could include paying:

- The claimant;
- Their partner;
- An appointee;
- Their landlord (or an agent of the landlord); or
- Any third party to whom it might be most appropriate to make payment.

The Council will pay an award of DHP by the most appropriate means available in each case, but the payment is usually credited to rent accounts or paid with a private tenant's rent allowance.

- By crediting the claimant's rent account if renting from the Council;
- By electronic transfer (e.g. BACS); or
- Payments can be paid weekly or monthly to meet rental liability and will usually coincide with the payment of Housing Support.

### **13. Repeat applications**

Where a request for payments has been refused, it is not expected that repeat requests will be considered unless the claimant can demonstrate that their situation has worsened significantly, or a substantial period of time has elapsed.

### **14. The right to seek a review**

DHP's are not payments of Housing Benefit or Universal Credit and, therefore, are not subject to the statutory appeals mechanism.

The Benefits Team will operate the following process for dealing with a decision about a refusal to award a DHP, a decision to award a reduced amount of DHP, a decision not to backdate a DHP or a decision that there has been an overpayment of a DHP.

- A claimant (or their appointee), who disagrees with a DHP decision may dispute this by writing to the Council within one calendar month of the decision;
- A more senior Benefit Officer, who has not been involved with the original application will then review the case and all the evidence held and will make a decision as soon as feasible;
- Where the officer makes the decision not to revise the original decision, they will notify the claimant of their decision in writing, setting out the reasons for their decision;
- This decision is final and binding and may only be challenged via the judicial review process or by complaint to the Local Government Ombudsman if there is an allegation of maladministration; and
- In exceptional circumstances, the above time period may be extended.

### **15. Overpayments**

DHPs cannot be recovered from on-going Housing Benefit or Universal Credit entitlement. Therefore, the only method of recovery if a DHP is overpaid, is to request repayment of the debt from the claimant by invoice. If the overpayment arises as a result of a change in circumstances, but the claimant remains entitled to a lower amount of DHP, any overpayment may be offset against the revised award. A DHP is also recoverable if it was paid as a result of an error made when the claim was determined.

## **16. Fraud**

The Council is committed to tackling and preventing fraud in all its forms. If a claimant attempts to claim a DHP by making a false declaration or providing false evidence or statements, they may have committed an offence under the Theft Act 1968. Where the Council suspects that fraud may have occurred, it will investigate the matter as appropriate and this may lead to criminal proceedings.

## **17. Monitoring of payments made**

Due to the increase in funding following welfare reform changes, the DWP is required to monitor how DHPs are being used to support claimants affected. The Council will be required to provide a broad breakdown of their expenditure. Following a successful application for DHPs, the council should record the main reason for the award, as detailed below:

- To support claimant affected by benefit cap;
- To support claimant affected by social sector size criteria;
- To support claimant affected by LHA reforms; and
- Any other reason (covers original funding).

## **18. Debt advice**

Anyone experiencing debt problems will be signposted to local debt advice agencies (including the Citizens Advice Bureau) for free, confidential, impartial advice.

## **19. Policy review**

The policy will be reviewed annually, and updated in line with changes to Council priorities, legislation, best practice, and budget available.

Operational changes which do not impact on Council priorities or involve additional cost to the Council will be made by the Chief Financial Officer (S151 Officer), in consultation with the Executive Councillor responsible for Finance and Customer Services.

More significant changes will be reported to Cabinet.

**Date policy reviewed: 15 April 2024.**