



Discretionary Housing Payments Policy

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Version Control		
Version	Date	Notes
1	1 January 2019	

Background

The Discretionary Housing Payment (DHP) scheme was introduced by the Government in July 2001 so that Local Authorities could provide financial assistance to claimants receiving Housing Benefit (HB) and or Council Tax Benefit (CTB), when additional help with housing costs was required.

The Discretionary Financial Assistance Regulations 2001 provide the legal framework for DHPs. The Department of Work and Pensions (DWP) provide guidance to Local Authorities on how DHPs can be administered but there is a degree of discretion over the scheme and some regulatory restrictions.

When the scheme was introduced DHP's were awarded to top up shortfalls in HB or CTB entitlement, where payments under the statutory scheme were insufficient. This was extended in October 2012 to include other costs, such as rent deposits and rent in advance.

Following the abolition of CTB from April 2013, the Government changed the scheme so that DHP's can no longer be made towards the council tax liability.

The main features of the DHP scheme are:

- it is not part of the HB scheme
- it cannot be used to offset overpayment recovery or to cover ineligible service charges
- anyone receiving HB or Universal Credit (UC) Housing Costs payments can make a claim
- there is no statutory right to payment
- payments are made from a cash-limited fund

Funding levels can vary each year. Any unspent DHP funding is returned to DWP at the end of the financial year. If a Local Authority under-spends it is likely they would receive reduced funding in the following year.

Purpose of the Policy

The purpose of this policy is to specify how Wigan Council will administer the DHP scheme.

This policy ensures that the Council will act fairly, reasonably and consistently throughout the DHP decision making process.

All customers will be treated equally and fairly and in accordance with the Council's policies.

Aims of the Policy

This policy incorporates revised DWP guidance on the administration of DHP and is intended to contribute towards the following outcomes:

- alleviate poverty
- sustaining tenancies and preventing homelessness
- encouraging and sustaining people in, and into, employment
- safeguard residents in their own homes
- ensuring that domestic abuse victims who are trying to move to a place of safety are supported

- support young people leaving Local Authority care
- supporting the work of Foster Carers
- supporting disabled people remain in adapted properties
- supporting the vulnerable, including young children and the elderly in the local community
- help customers through personal crises and difficult events
- help families stay together

The overarching objective of this policy is to distribute funding granted under the DHP scheme in order to prevent homelessness. This will be achieved by providing short term relief to customers in order to give them time to find more sustainable financial arrangements. The policy is also intended to support people who have little possibility of changing their personal circumstances.

The DHP scheme allows for payments to be made for rent deposits and rent in advance if the claimant receives HB or UC Housing Costs for their present home.

Equalities

The Council is committed to equality and fairness. Equality is about ensuring people are treated fairly and given fair chances. It is also about ensuring that people receive fair outcomes in the standard of service they receive from the Council and equality of access to services. This incorporates everyone, regardless of their race, gender, age, religion or belief, sexual orientation, marital or civil partnership status or disability in line with the principles set out in the Equalities Act 2010.

Administration of Claims

Customer Services administer the DHP scheme in accordance with the legislative requirements and will:

- provide online claim form including guidance
- set performance targets
- provide operational procedures
- notify the customer of the outcome of their claim in writing, stating the reasons for the decision and providing details of their review rights
- remind the customer claiming DHP of their duty to notify Customer Services of any changes in their circumstances
- review the policy, procedures and administration of the scheme

Making a Claiming

There must be an entitlement to HB or UC Housing Costs for the same period as the application for a DHP.

A DHP online application form must be completed in all instances via the Wigan Council website at:

www.wigan.gov.uk/benefitforms

A request for DHP maybe made verbally, by email or in writing. This will be treated as the date of first contact customers will be advised to submit an online application which must be completed within one calendar month.

The Council will accept applications and request for DHPs from:

- Registered Social Landlords
- third sector organisations like Citizens Advice Bureau and Welfare Rights Advisors
- support and care workers or helpers
- appropriate representatives, friends and relatives

In exceptional circumstances phone applications will be considered for customers unable to complete an application themselves and have no one who can support them with its completion.

Evidence may be requested in support of DHP claims and the customer will have one month to provide this, although this will be extended in appropriate circumstances.

If the customer is unable to, or does not provide the required evidence, the Council will consider the application and will take into account any other available evidence including that held on records relating to HB and Council Tax Reduction CTR.

A DHP claim will only be considered once a decision has been made on the customer's most recent HB claim or UC application.

Awarding a Claim

When considering a DHP the Council may take into account the following:

- the difference between the applicable amount and received income
- the shortfall between HB or UC Housing Costs and the rent liability
- the risk of being made statutorily homeless if a payment is not made
- affordability of the accommodation
- the steps taken to negotiate a rent reduction with the landlord
- if financial hardship is affecting individuals in the family, such as young children
- the financial and medical circumstances of the customer, their partner and any dependants and any other occupants of the customer's home
- any savings or capital held by the customer or their family
- income that has been disregarded in the calculation of HB, CTR and UC
- the income and expenses of the customer, their partner and any dependants or other occupants of the customer's home
- making referrals for monetary advice and support in appropriate circumstances
- any household debt and loans
- shortfalls due to non-dependant deductions
- customers affected by the Under Occupancy rules who have had adaptations made to the accommodation to support their or family members needs
- the need of a household to remain in a particular property or area for educational, medical, support, care or disability reasons
- for Rent in Advance or Rent Deposit applications the reason for move including why the previous or current tenancy was lost

This list is not exhaustive and any other relevant factors or special circumstances will be considered.

We cannot award DHP if the customer is not entitled to HB or the UC Housing Costs towards rent.

Eligibility

The various types of shortfalls that a DHP can cover include:

- reductions in HB or UC where the Benefit Cap has been applied
- reductions in HB or UC for under-occupation in the social rented sector
- reductions in HB or UC as a result of Local Housing Allowance (LHA) restrictions
- Rent Officer restrictions such as local reference rent or shared room rate
- Rent Deposits and Rent in Advance where there is a risk of homelessness and for deposits when a Deposit Bond scheme is not available
- expenditure higher than income due to multiple debts and a substantial shortfall in the rent
- unaffordable rent
- where an extra bedroom is needed due to medical reasons and it is unreasonable to expect the customer to move home
- property is larger than current needs due to pregnancy, this will be considered where HB is restricted by size criteria and only within twelve weeks of the baby's due date
- medical condition making it difficult to move
- increases in essential work related expenditure such as increased fares to work if a customer has had to move because they could not afford to live in proximity to their work following a reduction in their LHA rates
- short term emergency for example a crisis in family
- assistance to secure a new tenancy where the decision maker considers there is an urgent or essential need to move such as at risk of homelessness
- assist the customer to retain an existing tenancy

This list is not exhaustive, and any other relevant factors or special circumstances will be considered.

Ineligibility

DHPs cannot be paid for the following:

- shortfall caused by services or meals included in rent such as water rates, electricity or breakfast. If included in the rent, confirmation from the landlord as to the amount paid towards them will be needed
- shortfall due to an excessive rent increase
- shortfall in income caused by a DWP sanction or suspension
- assistance with Rent in Advance and Rent Deposits, where the rent exceeds the LHA rate by more than 10% other than in exceptional circumstances
- Rent in Advance or Rent Deposits where the applicant has lost their tenancy due to their willful action or inaction for example causing deliberate damage to the property, non-payment of HB to a landlord, except where the tenant is engaging with support services
- assistance with deposits will not be offered where the Council Deposit Bond scheme is available
- reduction in HB as a result of the new Loss of Benefit (LOB) penalty
- increase in rent charges due to outstanding rent arrears
- shortfall in income caused by overpayment recovery
- towards council tax liability
- when HB, CTR or UC has been suspended
- where an applicant has multiple outstanding debts and refuses to engage and seek professional debt advice or failed to plan to deal with the debt

- except in exceptional circumstances, ongoing assistance with a rent shortfall where an award has already been made to assist the customer to move into the property; as awards to secure a tenancy are made on the basis that the rent is affordable

Rent Deposits

Assistance with Rent Deposits will be considered for customers who are already resident in the Wigan area. An award will not normally be made to assist a customer to move outside Wigan. Cash Deposits will not be provided through the DHP scheme where a Council Deposit Bond scheme is available to assist residents to secure accommodation.

To qualify for assistance with a rent deposit the following conditions will apply:

- no similar financial assistance has previously been provided to the customer by the Council except where the applicant is both unable to access their previous deposit and needs to move through no fault of their own
- the rent is no more than 10% above the current LHA rate that is appropriate for the property except in exceptional circumstances where the decision maker agrees the new rent is affordable
- if a tenant has lost their accommodation due to their own willful action or inaction an award will not be made unless they are engaging with Support Services

Where a tenant has been awarded a Deposit Bond by the Council and a condition of this is that the tenant saves their own deposit during the period of the bond, DHP will not be considered to cover cases where the tenant has not saved unless there has been a significant change in circumstances.

Where the above qualifying criteria are met and an award is agreed, payment is subject to the following:

- payment will only be made directly to the new landlord
- the landlord must comply with the legal obligation to protect a deposit paid in a Government approved tenancy deposit protection scheme

Rent Deposit awards will cover a maximum of one month's rent.

Rent in Advance

Assistance with Rent in Advance will be considered for customers who are already resident in the Wigan area. An award will not normally be made to assist a customer to move outside Wigan.

To qualify for assistance with a Rent in Advance payment the following conditions will apply:

- no similar financial assistance has previously been provided to the applicant by the Council except where the applicant is both unable to access their previous rent in advance and needs to move through no fault of their own
- the rent is no more than 10% above the current LHA rate that is appropriate for the property except in exceptional circumstances where the decision maker considers the new rent is affordable
- if a tenant has lost their accommodation due to their own willful action or inaction an award will not be made unless they are engaging with Support Services

Where the above qualifying criteria are met, and an award is agreed, payment is subject to the following:

- payment will be made directly to the new landlord

Rent in Advance awards will normally cover no more than one month's rent except where there are exceptional circumstances to warrant a higher amount up to a maximum of two months rent.

Period of Award - Help with ongoing rent shortfalls

Award periods will normally commence from the Monday following the date that an application is received. When a request has been made verbally, by email or in writing and an online application has been completed within one calendar month the first contact date will be used.

A DHP may be awarded for up to 6 months, but consideration to extend and award between 6 to 12 months may be given.

In exceptional circumstances where a customer's circumstances will remain the same or are likely to remain the same then the award can run for 12 months. Payments may also continue in future years, subject to annual review.

Where a degree of permanency exists in the customer's circumstances the award can be extended for example if the property has been adapted to cater for a customer or a household member's needs.

The period of the award will be set according to the anticipated length of time assistance is required.

Long term awards may be made to customers affected by the Social Rented Sector Size Criteria where the Council continues to regard it as inappropriate for the customer to have to move.

An award of a DHP does not guarantee a further award at a later date even if the customer's circumstances have not changed. If at the time of the initial award it is considered that the accommodation is inappropriate the customer will be advised to look for alternative ways of alleviating the hardship.

Long term solutions might include finding more affordable accommodation, finding or increasing employment, negotiating a reduced rent, reducing indebtedness or negotiating reduced payments to creditors.

Backdating

A DHP payment can be backdated if the Council considers that the customer has a good reason for the delay in making the DHP claim based upon the circumstances of the case. However, this will be limited to the period in which the customer has been receiving HB or UC Housing Costs during the current financial year, unless exceptional reasons for a late claim are accepted.

Method of Payment

Payment will be made by BACS or by credit to a rent account or can be made to the landlord to reduce rent arrears. The payments will usually be made at the same time as HB or UC Housing Costs, except in cases where there is a lump sum award.

We will decide who to make DHP payments to, by giving consideration to who receives the HB or UC Housing Cost payments, the level of rent arrears and any other information given on the online application. Where rent arrears exist we use a facility to pay the landlord directly under HB provisions. We will reflect this when making a payment under the DHP scheme.

The frequency of the payment will be considered for each case.

Changes of Circumstances

An award of DHP may be revised or withdrawn where the customer's circumstances have changed.

The customer is required to notify Customer Services of any changes of circumstances that will affect their HB or UC Housing Costs.

A customer must be in receipt of HB or UC Housing Costs or have been entitled for the period of the claim.

Notification of Awards

Customers will be notified of the outcome of their application within 10 working days of the latest of the following events or as soon as possible after:

- the application was received
- any additional information was received
- HB or UC Housing Costs was processed

The notification will state the reasons for the decision and will advise:

- amount of DHP awarded, if any
- period of the award, if applicable
- requirements to report a change of circumstances
- right to request a review of the decision
- information on who to contact for further help or advice

Reviews

DHPs are not payments of HB and are not subject to the statutory appeals process. The Council has a review process in place to ensure that all decisions are fair and consistent.

The customer or their appointee may dispute the decision. A request for a review should be made by email or letter to the Council within one calendar month of the decision being issued. This period may be extended in some circumstances.

The Review request will be dealt with by an officer not involved in making the original decision. The officer will look at all the information and evidence used to make the original decision. They will also take into account any new information the customer has provided and may ask them for more information if necessary. The officer will write to the customer advising them of their decision within 10 working days of the date the review request.

Review decisions are final and may not be further challenged except where legislation permits. The Council will write to the customer once a decision has been considered and will explain:

- the amount of the award, if any
- the period of the award, if applicable
- provide details of how any award will be made
- provide a summary of the factors considered in reaching the decision

The Review process does not prevent a future application being made if the circumstances of the person who claimed change.

Overpayments

Where a DHP has been overpaid, the Council may seek to recover it by:

- deducting from an ongoing DHP award
- by issuing an invoice

If the overpayment was caused by an administrative error and it is not reasonable the customer knew then no action will be taken.

A letter will be sent to the person due to repay the invoice detailing the overpayment, why it occurred and what to do if they disagree.

A DHP overpayment cannot be recovered from ongoing HB or UC.

Fraud

The Council is committed to protect public funds and ensure they are paid to the people who are rightfully eligible to them. A customer found to be claiming DHPs fraudulently by providing a false statements or evidence in support of their claim may have committed an offence under the Fraud Act and liable for prosecution.

If fraud is suspected to have taken place it will be investigated, and this may lead to criminal proceedings being instigated.

Data Sharing

The Council may use any evidence and information supplied to it in respect of DHPs to check the eligibility of the applicant in respect of this scheme or other Welfare Benefit and Discounts or Exemptions.

The Council takes part in data matching exercises to assist in the prevention and detection of fraud. Data matching involves comparing sets of our data, such as Council Tax or Benefit records against other records held by the Council or other bodies.

Data matching allows potentially fraudulent claims, reductions and payments to be identified. Where a match is found it indicates that there is an inconsistency that requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.

Working in Partnership

Customer Services will work closely with the following partners, organisations and groups to assist with meeting the aims and objectives of the Council's Homelessness Strategy and to promote and ensure our most vulnerable and in need customers access DHP funding:

- Wigan Homes
- Welfare Reform Board
- Service Delivery Footprints
- Registered Social Landlords
- Housing Strategy
- Northwest Landlord Forum
- Homelessness Forum
- Charities and groups supporting private sector tenants

Publicity and Take-up Campaigns

The DHP scheme will be publicised in the Wigan area and campaigns run throughout the financial year.

The following methods of communication may be used:

- leaflets and posters
- information with notification letters
- when visiting us or telephoning the council offices
- information on the Council's website
- social media
- information for third sector organisations and referrers
- online claim forms
- information with Council Tax documents

Reporting

Applications will be subject to the Council's quality control and audit procedures.

DHP administration, expenditure and success of campaigns and targeted initiatives will be reported to:

- Customer Services senior management
- The Welfare Reform Board
- DHP expenditure will be reported to the DWP

Policy Review

The DHP Policy will be reviewed annually.

Any changes will be in accordance with best practice and any regulatory changes.

The DHP Policy will be published and available to view on the Council's website.