



Corby Borough Council

Discretionary Housing Payments Policy & Procedures

Revised Oct 2015

Background & Introduction

This policy and procedure sets out how Corby Borough Council will operate the Discretionary Housing Payment Scheme (DHP) and some of the factors that will be considered when deciding if a DHP can be made.

On 2 July 2001 a new scheme was introduced which granted all Local Authorities new powers to make a discretionary award to top up the Housing and Council Tax Benefit statutory schemes. The legislation governing DHP's can be found in the Discretionary Financial Assistance Regulations 2001 (S1 001 / 1167).

The intention was to replace the old scheme of exceptional circumstance and hardship payments, where payments were only made in "exceptional" circumstances with a much more widely available scheme to help with Housing costs, where Housing and Council Tax Benefit payments under the statutory scheme were insufficient. However, since the abolition of Council Tax Benefit a DHP cannot be awarded in respect of Council Tax liability.

A DHP is available to every claimant, who is in receipt of Housing Benefit or Universal Credit which includes a Housing Element towards their rental liability, and they require further assistance with their housing costs. This will usually be where claimants have a shortfall between rent liability and an award of Housing Benefit or Universal Credit, and require the further assistance because they cannot meet their housing costs from their own income, or because their shortfall has resulted from welfare reform.

For the purpose of the policy, although housing costs will generally mean rental liability, they could also include rent in advance, deposits and other costs associated with a housing need such as removal costs. Payments can cover all or part of the shortfall in rent or assistance in taking up a tenancy.

However a DHP cannot be used to pay ineligible service charges, or to minimise the effect of Job Seeker Plus sanctions; to make payment when Housing Benefits are suspended or when a claimant does not have a minimum entitlement to that benefit.

The main features of the scheme are:

- It is purely a short term discretionary payment;
- Priority will be given to individuals who are unable to change their circumstances rather than those who choose not to;
- Special consideration will be given to disability issues, such as how this impacts on the number of rooms needed within a household and homes that have been specially adapted or how a disability increases household expenditure;
- A claimant does not have a statutory right to a payment;
- The amount that can be paid out by the Authority in any financial year is cash-limited by the Secretary of State, and will not be augmented by any contribution from the Authority;
- Applications will be considered on a first come first serve basis as there is a need to process claims expediently;
- In view of the cash limit and the need to make payments expediently whilst protecting later applicants, the budget will be spread over two equal 6 month periods within the year, with 10% held back for the second half the end of each period;
- The administration of the scheme and payment decisions will be determined by the Benefits Service;
- Consideration will be given to the impact of decisions on other Council budgets, such as homelessness and repairs and adaption costs.

Purpose

The purpose of this policy is to specify how the Benefits Service will operate the scheme and to indicate some of the factors that will be considered when deciding if a DHP can be awarded. Each case will be treated strictly on its merits and all customers will be treated equally and fairly when the scheme is administered. The Benefits Service is committed to working with the local voluntary sector, social landlords and other interested parties in the Borough to maximise entitlement to all available state benefits and this will be reflected in the administration of the DHP scheme. Where the evidence provided in support of a DHP indicates that the customer is not claiming another state benefit they may be entitled to, the Benefits Service will advise them to make such a claim and provide details of other agencies in the Borough who may be able to help with such a claim.

Statement of objectives

Where financially possible, the Benefits Service will consider making a payment of a DHP to all customers who meet the qualifying criteria as specified in this policy. The Benefits Service will treat all applications on their individual merits, and will seek through the operation of this policy to assist to:

- Alleviate poverty;
- Support vulnerable young people in the transition to adult life;
- Encourage local residents to obtain and sustain employment;
- Safeguard local residents in their homes;
- Help those who are trying to help themselves;
- Keep families together;
- Support the vulnerable in the local community;
- Help customers through personal crises and difficult events;
- Take account of increased household expenditure incurred as a consequence of disability issues.

The Benefits Service considers that the DHP scheme should be seen as a short time emergency fund. It is not and should not be considered as a method of circumventing any current or future entitlement restrictions set out within the Housing Benefit/Universal Credit legislation.

Claiming a DHP

A claim for a DHP must be made on a DHP application form and must be returned to a designated office and should include any supporting evidence.

The Benefits Service may request any (reasonable) further evidence in support of an application for a DHP. Such requests will normally be made in writing. The customer will be asked to provide the evidence within one month of such a request although this may be extended in appropriate circumstances.

The Benefits Service reserves the right to verify any information or evidence provided by the customer in appropriate circumstances.

Period of award

In all cases, the Benefits Service will decide the length of time for which a DHP will be awarded on the basis of the evidence supplied and the facts known.

The start date of an award will normally be the Monday of the week of receipt of the claim, or the Monday of the week on which entitlement to HB commenced (providing the application for DHP is received within one calendar month of the claim for HB being decided) whichever is the earlier, or the most appropriate.

- The minimum period for which the Benefits Service will award an ongoing DHP is one week.
- The Benefits Service will not award a DHP for a period exceeding 6 months.
- No award will extend beyond a financial year.

Any reasonable request for backdating an award of a DHP will be considered but such consideration will be limited to the current financial year. A DHP will not be awarded for any period outside an existing HB/UC benefit period.

Awarding a DHP

In deciding whether to award a DHP, the Benefits Service will take into account:

- The shortfall in Housing Benefit entitlement and rent liability;
- Any steps taken by the customer to reduce their rental liability;
- The financial impact of Welfare Reform changes; Social Sector Size Criteria restrictions on Bedrooms and the limited availability of appropriate bedroom properties in the Borough;
- Disability and medical issues, such as how these impact on the number of rooms needed within a household; homes that have been specially adapted and extra household costs incurred as a result of the disability/illness.
- The financial circumstances, income and expenditure of the customer, their partner and any other members of their household including non dependents and any other occupants of the customer's home;
- Any savings or capital that might be held by the customer or their family;
- The level of indebtedness of the customer and their family;
- Any exceptional circumstances of the customer and their family/occupants.
- 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. the pressure on priority homeless accommodation;
- Any other special circumstances brought to the attention of the Benefits Service such as outstanding over paid benefit and the reason the overpayment occurred.

The Benefits Service will decide how much to award based on all of the circumstances. This may be an amount below the difference between the liability and the payment of Housing Benefit or Universal Credit.

An award of a DHP does not guarantee that a further award will be made at a later date even if the customer's circumstances have not changed.

Notification

The Benefits Service will inform the customer in writing of the outcome of their application. Where the application is unsuccessful, the Benefits Service will set out the reasons why this decision was made and explain the right of review. Where the application is successful, the Benefits Service will advise:

- The weekly amount of DHP awarded;
- Whether it is paid in advance or in arrears;
- The period of the award;
- How, when and to whom the award will be paid;
- The requirement to report a change in circumstances;

Method of Payment

The Benefits Service will decide the most appropriate person to pay based upon the circumstances of each case. This could include paying:

- The customer;
- 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 Benefits Service will pay an award of DHP by the most appropriate means available in each case.

Payment frequency will normally be made in line with the Housing Benefit award.

Changes of Circumstances

The Benefits Service may need to revise an award of a DHP where the applicant's circumstances have materially changed. Individuals are required to notify the Benefit's Department of any changes that may affect their entitlement to Benefit, these would include;

- Changes in household makeup and members
- Changes in income and that of other household members
- Changes in tenancy (this list is not exhaustive)

Overpayments

The Benefits Service will seek to recover any DHP found to be overpaid. Normally this will involve issuing an invoice to the customer or the person to whom the award was paid. It is most unlikely that recovery of any overpayment caused by an "official error" will be sought. Under **no** circumstances will recovery be made from any amounts of Housing and/or Universal Credit due to the customer (except if the customer requests this method of recovery Specifically and in writing). The decision letter that notifies an overpayment decision will also set out the right of review.

It is very unlikely that a DHP will be awarded where the only reason for a shortfall is because of an outstanding over-payment of benefit. Where a DHP would otherwise be awarded and there is an outstanding over-payment of benefit, a DHP can be awarded for the shortfall in rent liability as a result of factors other than repayment of the overpaid benefit. In practice this will mean that the full HB award will be taken as income, not the net award after overpayment deductions have been removed.

The Right to Seek a Review/Appeal

DHP's are not payments of Housing Benefit and are therefore not subject to the statutory appeals mechanism. However, The Benefits Service will consider requests to review for the following reasons:

- not to award a DHP;
- award a reduced or lesser amount of DHP;
- not to backdate a DHP;
- that there has been an overpayment of a DHP.

An applicant (or their appointee or agent) who disagrees with a DHP decision may dispute the decision. A request for a review must be delivered in writing to the Council within one calendar month of the written DHP decision being issued and once received the Housing Benefits Manager or designated officer, will consider the case, review all the evidence held and will make a decision within 14 days of referral or as soon as practicable. This decision will be final.

Fraud

The Benefits Service is committed to the prevention of fraud. A claimant who falsely declares their circumstances, or provides a false statement or fraudulent evidence in support of their application, may be deemed to have submitted a fraudulent claim under the Theft Act 1968. Where the Benefits Service suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.