

# Discretionary Housing Payment Policy

<b>Version of Scheme:</b>	Version 1
<b>Draft Number:</b>	Draft 1
<b>Scheme Ratified By:</b>	
<b>Date Ratified:</b>	
<b>Effective Date of Scheme:</b>	15 <sup>th</sup> June 2015
<b>Review Date:</b>	Every 2 years
<b>Applicable To:</b>	Housing Staff, Benefits Staff, Support Officers, Housing Benefit Claimants.
<b>Equalities Issues:</b>	All Equalities considerations have been taken into account when drafting this Scheme.



## INDEX

SECTION	PAGE
1. Introduction	3
2. Policy Objectives	3
3. Eligibility Criteria and Claim Process	4
4. Decision Process	5
5. Payment and Award Period	5
6. Finance and Monitoring	6
7. Overpayments and Disputed Decisions	6
8. Fraud	7
9. Data Access and Data Sharing	7
10. Review of the Scheme	8

## 1) Introduction

- 1.1 Discretionary Housing Payments (DHPs) provide claimants of Housing Benefit with further financial assistance to help meet housing costs. The payments are standalone, do not form part of the Housing Benefit entitlement and are additional to the Housing Benefit subsidy.
- 1.2 In 2011/12 the UK Government increased the level of DHP funding available to Local Authorities in order to help mitigate against some of the impacts of Welfare Reform.
- 1.3 The DHP scheme should be viewed as short-term financial support and should not be considered as an alternative to any current or future restrictions set out within the Housing Benefit scheme.

## 2) Policy objectives

- 2.1 The purpose of this policy is to specify how Caerphilly County Borough Council will operate the DHP scheme, and to indicate the factors that will be considered when making a decision on an award of a DHP. The policy should be viewed in conjunction with the Department for Work and Pensions Discretionary Housing Payments Guidance Manual (April 2014) ([https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/300220/discretionary-housing-payments-guide-apr-14.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/300220/discretionary-housing-payments-guide-apr-14.pdf)) and the Pan-Wales Discretionary Housing Payment Policy Framework.
- 2.2 The purpose of the DHP is to support existing housing benefit claimants who may be in exceptional need and DHPs can be used to provide support to claimants affected by some of the key welfare reforms, including, but not limited to: -
  - introduction of the 'benefit cap'
  - introduction of size criteria in the social rented sector – the Spare Room Subsidy (sometimes called the 'bedroom tax');
  - reductions in Local Housing Allowance
- 2.3 Principally, the objective of DHPs is to offer short-term financial assistance to residents impacted upon by the changes described above and the objective of this policy is to ensure the Council administers DHPs: -
  - to assist those residents who demonstrate an exceptional financial need for support with housing costs and who are willing to accept the support available on a short-term basis in order to work towards a sustainable solution
  - within the allocated annual budget
- 2.4 Each application for DHP will be treated strictly on its own merits and all residents will be treated fairly and equally, and the Council will seek through the operation of this policy to: -
  - Help alleviate poverty
  - Help prevent homelessness

- Support vulnerable young people in the transition to adult life
- Encourage claimants to obtain and sustain employment
- Help keep families together
- Support the vulnerable in the community
- Help customers through personal crises and difficult events
- Provide advice on long-term possible solutions to meet unaffordable housing costs
- Improve financial capability by referral to an independent advisor e.g. Money Advice Service

2.5 The Council is committed to working with internal and external stakeholders and other interested parties to maximise the take-up of all available state benefits, and this will be reflected in the administration of the DHP scheme. Where evidence is provided in support of a DHP application that indicates that the applicant is not claiming another state benefit to which they are entitled, the Council will advise, and where applicable, support the applicant to make such a claim.

### **3) Eligibility Criteria and Claim Process**

3.1 To be eligible for a Discretionary Housing Payment all the following conditions must be met for an award to be considered.

Applicants must: -

- a) Be in receipt of Housing Benefit (or the housing element of Universal Credit).
- b) Be able to demonstrate financial hardship or have experienced personal exceptional circumstances. Demonstrating financial hardship will be through the completion of an income and expenditure form during the assessment process.
- c) Be able to demonstrate steps have been (or are being) taken to achieve financial independence e.g. requesting and acting on guidance from the support provided. This may include moving to cheaper accommodation.
- d) Make an application on an approved format. The Regulations state that to make an award of DHP there must be a claim for DHP.

3.2 In order to make a claim for a DHP an assessment form must be completed. The form includes details such as household composition, income and expenditure and what the claimant can do to reduce the shortfall between their housing costs and their Housing Benefit or Local Housing award.

3.3 The Council reserves the right to request any additional evidence in support of the DHP application, and will act consistently and reasonably in doing so. Where the customer is unable to, or does not supply the required evidence, the Council will still consider the DHP application and will take into account any other evidence available, including documentation held on the housing/council tax benefit case file.

#### **4) Decision Process**

- 4.1 In deciding whether to award a DHP, the Council will take into account the following: -
- The shortfall between housing benefit, local housing allowance and the liability for rent
  - Any steps taken by the claimant to reduce their rental liability
  - Information gathered by the claimant when accepting a tenancy which falls under the local housing allowance scheme
  - The medical needs and circumstances of the claimant, their partner and any other persons in the household
  - Any savings or capital held by the claimants household
  - The claimants level of debt, their efforts to reduce it and their ability to demonstrate this
  - Whether the customer can change their spending pattern on non-essential items
  - The actions being taken by the claimant to improve or change their domestic, financial or personal situation to reduce or limit the amount of support that they will require in the future i.e. helping those that are trying to help themselves
- 4.2 A minimum of 95% of all applications for DHP will be looked at within 28 working days of being received.
- 4.3 There are certain elements of a claimant's housing costs that cannot be considered for DHP because the regulations exclude them.
- Excluded elements are: -
- a) Ineligible service charges
  - b) Increases in rent due to outstanding rent arrears
  - c) Certain sanctions and reductions in benefit
- 4.4 Whilst the DHP scheme is by definition discretionary, the Council has a duty to make decisions in accordance with recognised principles about good decision-making, i.e. administrative law, and in particular to act fairly, reasonably and consistently.

#### **5) Payment and Award Period**

- 5.1 The Council will decide the most appropriate person to pay any award of DHP based on the circumstances of each case. Payment frequency will be made in line with the Housing Benefit or Local Housing Allowance award.
- 5.2 Where an application for DHP is successful the customer and any other affected party will receive notification of: -
- The amount of the award

- The method of payment
- The start and end date of the award
- Their duty to report any change of circumstances that may affect their award
- The recoverability of any overpaid award of DHP
- The procedure to follow should a dispute arise

5.3 Consideration will be limited to the current financial year, and DHP will not be awarded for any period outside an existing Housing Benefit or Local Housing Allowance period.

5.4 Any payment granted under this policy will initially be for a maximum period of up to 3 months (13 weeks). However, it is accepted that there will be occasions where the award will be made for longer than 3 months due to the particular exceptional circumstances of the customer. In these circumstances on-going need will be reviewed before any extended award is made.

## **6) Finance and Monitoring**

6.1 The Council will monitor the DHP budget on a monthly basis in order to ensure that the benefits of the scheme are maximised, and to ensure that any under or overspends are adequately controlled.

6.2 Although DHP funds are not 'ring-fenced' for specific impacts of Welfare Reform the DWP have introduced a new monitoring regime that requires the Council to record if the claimant has been affected by one of the following: -

- benefit cap
- social sector size criteria
- local housing allowance restrictions
- combination of reforms
- not impacted

## **7) Overpayments and Disputed Decisions**

### **7.1 *Overpayments***

The Council reserves the right to recover any overpayment of DHP where the payment was made as a result of: -

- Misrepresentation or failure to disclose a material fact, fraudulently or otherwise
- An error made when the claim was determined

DHP overpayments must not be recovered from any on-going award of Housing Benefit or Local Housing Allowance, unless the customer requests this method of recovery. A standard overpayment notification letter will be issued and will contain the reason for the overpayment, the amount overpaid, the period to which the overpayment relates and the right of review.

## 7.2 ***Disputed Decisions***

DHP's are not subject to a formal appeals process by virtue that any decision to make a payment is discretionary.

Where an application is declined and a decision disputed for a reason other than one relating to exclusions from the DHP scheme an applicant or their representative may request a review.

All requests for reviews must: -

- a) Be made by the applicant or their representative.
- b) Set out the reasons why it is believed the decision should be reviewed.
- c) Be made within 1 calendar month of the original decision being notified.

7.3 An officer other than the person who made the original DHP decision will carry out the review. In the event that the customer is still dissatisfied with the decision after the review has been carried out, a panel of selected officers will reconsider the case: -

- Head of Corporate Finance
- Lead Officer, Benefits & Finance (Welfare Reform)
- Project Manager & Co-ordinator (Welfare Reform)

All available evidence will be considered and new evidence may be requested. A decision will be made within 14 working days of the referral or as soon as practicable afterwards and notified to the applicant in writing, setting out the reasons for their decision.

7.4 Where the panel decides not to revise the original decision this decision is final and binding and may only be challenged by way of judicial review or by a complaint to the Public Services Ombudsman for Wales, if there is an allegation of maladministration. Decisions on DHP's cannot be appealed to the Tribunal Service, as they are not empowered to deal with them.

## **8) Fraud**

8.1 Caerphilly County Borough Council Benefit's Service is committed to tackling fraud and abuse of public funds in all forms. A claimant who falsely tries to claim a DHP by deliberately misrepresenting their circumstances or providing a false statement or evidence in support of their application may have committed an offence. Where there is suspicion that that a fraud may have occurred, the matter will be investigated and this may lead to criminal proceedings being initiated.

## **9) Data Access and Data Sharing**

9.1 The Council is allowed to collect data to support, evidence and to determine DHP awards. The scheme will operate to support principles for fair, reasonable and confidential data access and sharing at all times. This is to ensure that customers receive the correct benefits at all times and that public funds and the wider interest of local council tax payers are protected.

## 10) Review of the Policy

- 10.1 A review of this policy will take place every 2 years, or earlier if required as a consequence of legislative/funding changes. Consultation will depend on the extent of the changes.

DRAFT