

## **DISCRETIONARY HOUSING PAYMENTS POLICY**

### **April 2024**

#### **1.0 Background**

- 1.1 In July 2001 legislation was introduced to allow Local Authorities discretionary powers to top up existing Housing Benefit awards, for customers where this benefit did not meet their full housing costs. This was later amended to include claimants on Universal Credit.
- 1.2 The legislation is contained in the Discretionary Financial Regulations 2001 (S1 001/1167) and The Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013).

#### **2.0 Summary**

- 2.1 The purpose of a Discretionary Housing Payment (DHP) is to assist towards housing costs for claimants experiencing financial hardship and are struggling to meet these payments, where they are not fully covered by Housing Benefit or Universal Credit.
- 2.2 The Government allocates a DHP budget to the Council each financial year. 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 bi-annual returns are submitted. Councils are advised of the DHP funding amounts annually.
- 2.3 DHPs are not an award of Housing Benefit or Universal Credit, rather they are discretionary. Consequently, there is no statutory entitlement to an award.
- 2.4 The DHP scheme should generally be considered short-term emergency fund; it is not a solution to any current or future entitlement restrictions to current housing costs legislation.
- 2.5 Housing costs are not defined in the Discretionary Financial Assistance Regulations 2001, but in general means rental liability
- 2.6 The main features of this scheme are that:
  - the scheme is purely discretionary; a customer does not have a statutory right to a payment,

- the amount that can be paid out in any financial year is cash-limited by the Secretary of State,
- the administration of the scheme is for the local authority to determine (with a few specific exceptions).

### **3.0 Purpose of this policy**

- 3.1 This policy's purpose is to specify how South Norfolk District Council will administer DHPs. It details the application process and indicates some of the factors that will be considered when deciding if a DHP can be awarded.

### **4.0 Statement of Objectives**

- 4.1 South Norfolk Council will consider awarding a DHP to applicants who meet the qualifying criteria set out in this policy.
- 4.2 All applications will be considered on their individual merits and treated fairly and equally in accessibility to the fund and decisions made.
- 4.3 When an assessment is made, the officer will utilise other resources available through the Local Authority. This could include (but is not limited to) early intervention with the assistance or support to seek alternative accommodation.
- 4.4 The officer will also consider whether the customer is entitled to any other benefits or funds that they have not yet claimed and arrange for support, when appropriate, in making an application.
- 4.5 Through the operation of this policy the Council will seek to:
- Alleviate poverty
  - Sustain tenancies and prevent homelessness
  - Encourage and sustain people in employment
  - Support the vulnerable in the local community
  - Safeguard residents in their own homes
  - Help those who are trying to help themselves
  - Keep families together
  - Help applicants through personal and difficult events
  - Support young people in the transition to adult life
  - Support foster carers who have a spare room for a potential foster child
  - Support people living with a disability living in accommodation substantially adapted for their needs to sustain their tenancy
  - Support people affected by welfare reforms, in particular:
    - The benefit cap
    - The social sector size criteria
    - The reduction in local housing allowance.

## **5.0 Eligibility**

- 5.1** The applicant must have an existing entitlement to either:
- Housing Benefit
  - Universal Credit which includes a housing element towards a rental liability
- 5.2** This must relate to a property in the South Norfolk area.
- 5.3** The property must be the same property that DHP is being claimed for.
- 5.4** If the DHP claim relates to rent arrears, one of these benefits must have been in payment at the time the arrears accrued.
- 5.5** A previous award of DHP does not guarantee any future award even if the applicant's circumstances have not changed.

## **6.0 Treatment of Applications**

- 6.1** Each application will be considered on its merits and the information provided.
- 6.2** All applicants will be treated fairly and equally. To ensure a level of consistency, officers will make decisions in reference to the 'DHP Decision Matrix'. The officers will always retain their discretion to make a decision outside this matrix in exceptional circumstances for the most vulnerable residents.
- 6.3** The 'DHP Decision Matrix' will be reviewed annually by Benefit Managers in conjunction with the Assistant Directors for Individuals & Families, and Finance, along with relevant portfolio holders, to help ensure each year's funding allocation is not exceeded.

## **7.0 What a DHP can be used for**

- 7.1** DHPs are intended to cover shortfalls between Housing Benefit or Universal Credit Housing Costs and the full rent charge.
- 7.2** In addition, DHPs can be used to assist with rent arrears where this will prevent homelessness or allow a move to a more affordable property.
- 7.3** DHPs can cover rent shortfalls arising from, but not limited to:

- Reductions in Housing Benefit or Universal Credit where the benefit cap has been applied
- Reductions in Housing Benefit or Universal Credit due to the maximum rent (social sector) size criteria, also known as the bedroom tax
- Reductions in Housing Benefit or Universal Credit because of Local Housing Allowance restrictions
- Rent Officer restrictions such as local reference rent or shared accommodation rate
- Reductions in Housing Benefit or Universal Credit for non-dependants
- Foster carers who have bedroom(s) available for placements, including those between placements
- A shortfall in Housing Benefit or Universal Credit due to income, if this is for an unforeseen circumstances such as a loss of income.

7.4 Rent on two homes where the claimant is liable for payments on both. A DHP can be awarded when an applicant is temporarily absent, for example when fleeing domestic violence.

7.5 Rent shortfalls to prevent homelessness while alternative options are explored by the Housing team.

7.6 Rent in advance can be considered in the following exceptional circumstances, where the customer:

- has a serious medical need and is unable to be discharged to their previous home due to their changed accommodation need.
- has a previous home which has been destroyed by a disaster
- is a current or former member of the British Armed Forces, having left service within the preceding 5 years, as defined by s.374 of the Armed Forces Act 2006
- any other exceptional circumstances, as determined by the assessing officer

## **8.0 What a DHP cannot be used for**

8.1 A DHP cannot be paid for the following circumstances:

- Housing costs which do not arise from a rental liability, such as payment towards a mortgage
- Rental liability arising from recovery of overpayments of Housing Benefit or Universal Credit
- Rental liability arising from suspension of Housing Benefit or Universal Credit due to failure to provide information or because there is doubt regarding entitlement
- Rental liability arising from termination or reduction in Jobseekers Allowance because the claimant has left work voluntarily or had their employment terminated due to misconduct

- Sanctions and reductions in other means-tested benefits
- Increases in rental liability due to court costs
- Service charges which are ineligible for Housing Benefit or Universal Credit
- Charges for water, sewerage, and environmental services
- Council Tax liability
- Rent arrears which accrued during a period where there was no entitlement to Housing Benefit or Universal Credit
- Increases in rent due to outstanding rent arrears which accrued during a period where there was no entitlement to Housing Benefit or Universal Credit.

## **9.0 Amount and Period of the Award**

- 9.1 In all cases the length and amount of DHP will be based on the evidence supplied and the facts known.
- 9.2 The minimum period for which a DHP will be awarded is one week.
- 9.3 DHPs will not usually be made for a period exceeding 12 months.
- 9.4 The amount of DHP paid cannot be more than the value of the rent.
- 9.5 When considering rent arrears, proof of these will be required from the landlord or their agent.
- 9.6 In exceptional circumstances, the officer will consider a long-term award until the customers' circumstances change, if the officer feels this is appropriate. For example, if a customer is living in significantly adapted accommodation and it is considered unreasonable to expect them to move house.

## **10.0 Application process, including duties of the applicant**

- 10.1 A claim may be submitted by any applicant, or a representative of the applicant where permission has been granted, with an existing entitlement to Housing Benefit or Universal Credit Housing Costs.
- 10.2 The application must be made in writing and signed by the applicant and partner where applicable.
- 10.3 The applicant must provide the supporting evidence and information required, as detailed on the application form, to enable a decision to be made.
- 10.4 Assessment Officers may request any further reasonable evidence to consider the application. This must be provided within the timescales specified, which is

usually one calendar month from the date of request although this can be extended if appropriate.

- 10.5 A person claiming a DHP is required to tell the Council of any changes to their financial or personal circumstance which may be relevant to their DHP claim or affect the amount they have been awarded.
- 10.6 The Council reserves the right to verify any information or evidence provided by the claimant.

## **11.0 Considerations in awarding a DHP**

- 11.1 In deciding whether to award a DHP the following will be considered:

- The relevant Regulations and official guidance
- The shortfall between the rent charge and the Housing Benefits or Universal Credit Housing Costs
- The level of any rent arrears
- Any steps taken by the applicant to reduce their rental liability, including following advice provided in a previous DHP award
- The income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home
- Contributions to household expenses from non-dependants and any other adult occupiers who are not in full-time education
- The financial and medical circumstances of the applicant, their partner and any dependants or other occupants of the applicant's home
- Any savings or capital held by the applicant and their household members
- The level of indebtedness of the applicant and their household members
- The level of Council Tax the household is liable to pay
- The exceptional nature of the applicant and their household circumstances
- The amount available in the DHP budget at the time of the application
- The possible impact on the Council of not making an award, for example the pressure on priority homeless accommodation
- Whether the applicant has previously refused the allocation of more suitable affordable accommodation
- Any other special circumstances indicated in the application.

- 11.2 A previous award of DHP does not guarantee a future award.

- 11.3 When deciding how to treat income from disability-related benefits such as Disability Living Allowance ('DLA') or Personal Independence Payments ('PIP'), consideration will be given on a case-by-case basis. The purpose of these

benefits will be considered and whether the money from those benefits has been committed to other liabilities associated with disability.

- 11.4 This list is not exhaustive, and any other relevant factors or special circumstances will be considered.
- 11.5 Capital will be considered and discretion used to decide whether the level of capital indicates financial hardship and whether a DHP award is reasonable.
- 11.6 All decisions will be fully documented

## **12.0 Payment of an award**

- 12.1 The Officer awarding the DHP will decide the most appropriate person to pay based on the circumstances of the case.
- 12.2 This could include, but is not limited to:
  - The applicant
  - Their partner
  - Their appointee or holder of financial Power of Attorney
  - The landlord (or agent of the landlord)
  - Any other third party to whom it might be appropriate to make payment.
- 12.3 Rent arrears will usually be paid directly to the landlord or their agent. However, requests to pay the applicant directly will be considered based on the circumstances of the claim. Confirmation of that the arrears have been paid to the landlord may be requested.
- 12.4 Payment will be made by BACS in all cases.
- 12.5 Payment frequency will normally be in line with payments of Housing Benefit. This will usually be on a four-weekly cycle to allow the full award to be paid within the financial year.
- 12.6 One-off lump sum payments can be made immediately if required.

## **13.0 Notification**

- 13.1 The Council will inform the applicant of the outcome of their application as soon as practicably possible. Where the application is unsuccessful, the reasons why this decision was made will be set out and the right of review will be explained in writing.

13.2 Where a customer has been identified as struggling to manage their financial affairs, they will be signposted to our Communities and Wellbeing team for budgeting and / or debt advice.

13.3 Where the application is successful, this letter will advise:

- the amount of Discretionary Housing Payment awarded
- the reason for the award
- the period of the award
- how, when and to whom the award will be paid
- the requirement to report a change in circumstances
- how to re-apply at the end of the award if appropriate
- the review process
- this is a cash limited fund and
- an award of a DHP does not guarantee that a further award will be made even if the applicant's circumstances have not changed

#### **14.0 Changes of Circumstances**

14.1 If the applicant's circumstances change during the period of a DHP award it may be necessary to revise the award.

14.2 When this occurs, the applicant will be notified of any changes in writing.

14.3 It is the responsibility of the applicant to ensure that any changes in circumstances are notified to the Council.

#### **15.0 Overpayments**

15.1 If a change in the applicant's circumstances leads to an overpayment of DHP, The Council will seek to recover this.

15.2 Recovery will be sought by issuing an invoice to the applicant or person to whom the award was paid.

15.3 Recovery will not be taken from ongoing awards of Housing Benefit.

15.4 The decision letter that notifies an overpayment will also set out the right to a reconsideration of this decision.

15.5 An applicant who disagrees with a DHP overpayment decision may request a reconsideration as set out in Section 16.

#### **16.0 Reconsiderations/Appeals**



- 16.1 Discretionary Housing Payments are not payments of Housing Benefit and are not subject to the statutory appeals process.
- 16.2 If a customer (or someone acting on their behalf) disagrees with a decision, they must write to the Council stating why they disagree with the decision that has been made.
- 16.3 The decision will be looked at again by an officer other than the original decision maker, who will notify the customer of the outcome of the review and the reasons for this.
- 16.4 If the customer still wishes for the claim to be reviewed, they can submit a reconsideration request to a Housing and Benefit Manager. This decision will be final and may only be challenged by a complaint to the Local Government Ombudsman if there is an allegation of maladministration.

## **17.0 Fraud**

- 17.1 The Council is committed to protecting public funds and ensuring funds are awarded to people who are rightfully eligible for them.
- 17.2 Suspected fraudulent DHP applications will be investigated. Submitting a fraudulent claim for DHP is a criminal offence and offenders may be prosecuted.

## **18.0 Publicity**

- 18.1 A copy of this policy will be made available for inspection, and it will be published on the Council's website.

