



Discretionary Housing Payment Policy (DHP)

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1. BACKGROUND

Under the Financial Assistance Regulations 2001 Local Authorities make discretionary payments in respect of Housing Costs, known as Discretionary Housing Payments (DHP).

The purpose of this policy is to set out how Solihull Metropolitan Borough Council (SMBC) administers the scheme and to indicate some factors that will be considered when deciding if a DHP can be made.

Under the Universal Credit (Consequential Amendments) Regulations 2013, further amendments have been made to allow someone in receipt of Universal Credit, with a rental liability, to claim a DHP.

DHPs are not payments of benefit. They are made in addition to Housing Benefit or Housing Costs within Universal Credit. We operate our scheme within guidance issued by Department for Works and Pensions (DWP) for best practice.

Under amendments to the Financial Assistance Regulations, from April 2013 Discretionary Housing Payments can be paid to cover other housing costs in addition to rent commitments such as rent deposits, rent advances, shortfalls or removal costs. However, there are certain elements of a claimant's rent that the HB and UC regulations exclude so they cannot be included as housing costs for the purposes of a DHP. Excluded elements are:

- ineligible service charges, including provision and costs of white goods
- increases in rent due to outstanding rent arrears
- certain sanctions and reductions in benefit

Payments for Council Tax are ineligible under this scheme and assistance is available under the Council's Discretionary Reduction in Liability for Council Tax.

2. OBJECTIVES OF MAKING A DHP AWARD

The Council recognises that it must be able to respond flexibly to the needs of tenants within the borough if it wants to support strong and sustainable local communities.

Discretionary Housing Payments (DHPs) will be used to help mitigate the escalation of needs that arise from unforeseen or exceptional circumstances that threaten tenants' abilities to remain in their homes, or secure suitable housing.

In general payments of DHPs are to assist with a short-term fix, while longer term solutions are sought.

DHPs are intended to help:

- secure and move to alternative accommodation (for example rent deposit)
- with short-term rental costs until the claimant can secure and move to alternative accommodation
- with short-term rental costs while the claimant seeks employment
- with short-term rental costs while the claimant seeks to increase their hours of employment enough to become exempt from the benefit cap
- with on-going rental costs for a disabled person/s in adapted accommodation
- with on-going rental costs for a foster carer
- with short-term rental costs for any other reason

The Council will consider each case on its own merits, while having regard to the principles within this policy and will depend on the circumstances of each applicant.

All customers will be treated equally and fairly in administering the scheme. The Council is committed to working with the local voluntary sector, social landlords and other interested parties within the borough to maximise entitlement to all available state benefits and this will be reflected in the administration of the DHP scheme.

The Council will consider making a payment of a DHP to claimants who meet the qualifying criteria and can demonstrate a need for further financial assistance with their housing costs. Before making an award, the council must be satisfied that the customer is entitled to:

- Housing Benefit (HB); or
- Universal Credit (UC) that includes housing costs towards rental liability and
- has a rental liability; and
- requires further financial assistance with housing costs.

Owner occupiers are not eligible to receive payments of DHP.

The Financial Inclusion Team will apply this policy to:

- Alleviate poverty.
- Support people into employment and sustain people already in employment.
- Help with tenancy maintenance and homelessness prevention.
- Safeguard residents in their own homes where possible.
- Help those who are trying to help themselves.
- Keep families together.
- Help domestic abuse victims who are trying to move to a place of safety are supported.
- Support the vulnerable in the local community, including young children and the elderly.
- Help customers through a personal crisis / difficult events.

- Support vulnerable young people in the transition to adult life.
- To support the work of foster carers.
- To support disabled people living in accommodation that has been substantially adapted for their needs or who require an overnight carer.
- To support care leavers.

3. CLAIMING A DHP

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

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

The Financial Inclusion Team may request any reasonable evidence in support of an application for a DHP. The claimant will be asked to provide the evidence within 14 days of such a request, although this can 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 Financial Inclusion Team will still consider the application and will in any event take into account any other available evidence including that held within Income & Awards. The Financial Inclusion Team reserves the right to verify any information or evidence provided by the claimant in appropriate circumstances.

4. PERIOD OF AWARD

The Council considers that the DHP scheme should be seen as a short term fund to assist financial hardship whilst giving a claimant time to organise their financial or housing circumstances, particularly if they are trying to find alternative accommodation or gain employment. However, a long-term award may be paid where if considered appropriate. A DHP should not, however be considered as a way around any current or future entitlement reductions set out within legislation. In all cases, the Financial Inclusion Team 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:

- i. The Monday after the online or written claim for a DHP is received or initial request is made; or

- ii. The date on which entitlement to Housing Benefit or Universal Credit commenced (providing the DHP application form is received within one calendar month of the claim for Housing Benefit or Universal Credit being decided), whichever is the most appropriate.

The Financial Inclusion Team cannot award a DHP that exceeds the weekly or monthly eligible rent on the claimant's home. This limit only applies when the DHP is awarded to meet an on-going rent shortfall.

- The minimum period for which the Financial Inclusion Team will award a DHP is one week.
- The Financial Inclusion Team will consider any reasonable request for backdating an award of a DHP, but such consideration will usually be limited to the current financial year.

Backdating a DHP

The Financial Inclusion Team will look at 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 Financial Inclusion Team will act consistently.

Regulations require that a DHP can only be considered for a period where the linked Housing Benefit or relevant award of UC housing costs is payable.

DHP's are usually made in respect of an immediate need rather than a past period but may be backdated in some cases. All information available will be considered when making this decision.

5. AWARDING A DHP

The Financial Inclusion Team will take into account:

- the household's income and expenditure, whether these can be reasonably increased or reduced. This may include any other occupants residing in the applicant's home.
- Any steps being taken by the applicant to reduce their rental liability.
- Whether the applicant requires further financial assistance to meet their housing needs and if there are any circumstances that prevent the applicant from seeking alternative accommodation.
- Factors surrounding the personal needs of the applicant or other members of the family, any amount in the shortfall of rent between Housing Benefit or Universal Credit and any special housing requirements are necessary.
- Any savings or capital that might be held by the applicant or their family.
- The level of indebtedness of the applicant and their family's circumstances.

- The potential consequences of not making an award including the potential for the customer to become homeless and the possible impact on other agencies and Council services
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- The shortfall between HB or UC Housing Costs and rental liability.
- The DHP fund available at the time of the application.
- Any other special circumstances brought to the attention of the Council.

DHPs are a discretionary award and are not governed by strict regulations, although the Council will ensure that all decisions made are objective, impartial and are considered in line with DWP best practice guidelines.

Please note that the regulations regarding the treatment of income in Housing Benefit and Universal Credit claims do not apply in the DHP decision making process. Therefore, we may decide to count income 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).

Capital

Where the customer holds capital, officers will use their discretion to decide whether the level of capital warrants refusing a DHP application. However, consideration will 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.

Turning down affordable accommodation

There is an expectation that applicants will need to find ways of making up any shortfall themselves if they do not wish to find other ways of managing their future housing costs. Where a customer has refused the allocation of more suitable accommodation or reasonable support to help mitigate their shortfall, a DHP may not be paid.

Expenditure

A financial assessment shall be applied to determine whether the applicant has sufficient funds to meet their housing costs. That is, their available excess income after all income, priority costs and reasonable living expenses have been taken into account.

When considering expenditure the Financial Inclusion Team will take into account priority and non-priority expenses such as council tax, food, utilities, insurances, internet and phone charges and other essential daily living costs. Referrals will be made to debt advice agencies to support applicants with debts relating to loans, overdrafts and credit cards. Where payments can be restructured, expenditure will be revised, especially where reasonable alternatives may be available.

The Financial Inclusion Team will decide how much to award based on the applicant's circumstances. An award of a DHP does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed. Careful consideration will be required to determine how best to target the funding within priority groups, whilst ensuring that each case is considered on its own individual merits. Priority groups are: -

- Families with children at a critical point in their education.
- Young people leaving local authority care until they reach the age of 35.
- Foster carers, including those between placements
- 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 Financial Assessment Team of a change of circumstances if, for example, they were not subsequently approved.
- 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.
- Families with a social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project.
- Families with a disabled child not in receipt of a qualifying benefit but whose condition makes sharing a bedroom difficult.
- Couples who are unable to share a bedroom due to disabilities but are not in receipt of a qualifying benefit.
- Families who are providing long term care to a disabled child or non-dependant
- People affected by domestic abuse including those who have had to flee or have moved because of the threat of violence in another area.
- People who are a victim of human trafficking
- Where someone in the household is expecting a baby (including those currently in shared accommodation or subject to an under-occupation reduction).

- Where a child in the household is due to reach a significant birthday, which means an additional bedroom will be allowed under the size criteria
- People who have experienced homelessness who are 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 an impairment, which requires them to have a larger property than would usually be the case for the size of their household due to, for example, where a bedroom is used to store medical equipment
- 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.
- 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.
- People who are refugees who need to maintain stability in their financial and housing circumstances
- Single, under 35 year olds who may find it difficult to live in shared accommodation, for example, due to a traumatic event.

This list is not exhaustive.

6. CHANGES IN CIRCUMSTANCES

The Financial Inclusion Team will need to revise an award of a DHP where the claimant's circumstances have materially changed. Applicants are required to report a change in financial circumstances within one month from the date of change.

Payments of DHP will end when the applicant ceases to meet the eligibility criteria or where misappropriation has been identified.

7. METHOD OF PAYMENT

The Financial Inclusion Team 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).
- Any third party to whom it might be most appropriate to make payment.

The DHP will be made by the most appropriate means available in each case.

- By electronic transfer (e.g. BACS).
- By crediting the claimant's rent account if renting from SCH.

Payment frequency will normally be made in line with how the customer's Housing Benefit or Universal Credit is paid.

8. NOTIFICATION

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

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

Where applicants have been identified as struggling to manage their financial affairs, appropriate support will be provided initially by the Financial Inclusion Support Officers. In some cases, referrals will be made to Community Advice Hubs or the Money Advice Team within Solihull Community Housing.

9. THE RIGHT TO SEEK A REVIEW

DHPs are not payments of Housing Benefit or Universal Credit and therefore are not subject to the statutory appeals mechanism.

An applicant (or appointee or agent) who disagrees with the outcome of a DHP decision can request an independent review. The request must be received in writing to the Financial Inclusion Team within 14 days of the date of the DHP decision. In exceptional circumstances the above time period may be extended.

The independent review will be carried out by another officer that has not been involved with the original decision. The applicant will be informed of the outcome of the review.

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.

10. OVERPAID DHPS

Overpaid DHPs may only be recovered if the payment has been made as a result of:

- A misrepresentation or failure to disclose information by the applicant either fraudulently or otherwise, or
- An error made when the application was determined.

A DHP cannot be recovered from ongoing HB or UC. Therefore, the only method of recovery if a DHP is overpaid is to request repayment of the debt from the applicant or landlord by invoice.

11. PUBLICITY

The Council will continue to publicise the scheme and will work with all interested parties to achieve this. DHPs will continue to be promoted through the Council's website, the Community Advice Hubs and through colleagues in SCH. Staff are trained and knowledgeable and will advise those who are considered to be in financial difficulty of the availability of these payments.

12. FRAUD

The Council is committed to the prevention and detection of fraud and the protection of public funds. Cases of suspected fraud will be investigated by Fraud Officers and this may result in criminal proceedings being instigated.