

# Cheltenham Borough Council

## Discretionary Housing Payment Policy

### 1. Introduction

- 1.1. The Discretionary Housing Payment (DHP) scheme is designed to provide further financial assistance to recipients of Housing Benefit and Universal Credit where the housing costs element is included in their current award. It is payable where additional help with housing costs is required with awards being made under the Discretionary Financial Assistance Regulations 2001 which provide Local Authorities with broad discretion on the amount of money paid out and the way the scheme is administered.
- 1.2. The government has provided additional funding in recent years to enable local authorities to provide transitional support to customers affected by size criteria in the social housing sector, the benefit cap and changes to Local Housing Allowance but it is entirely at the Council's discretion as to how much is awarded in each area. In most cases a customer will need to demonstrate that they are unable to meet housing costs from their available income or that they have a shortfall in rent as a result of the welfare reforms.

### 2. What DHPs cover

- 2.1. DHPs are intended to support people who are receiving Housing Benefit or Universal Credit within Cheltenham and need additional support to cover housing-related costs. Housing-related costs are:

- Rental liability as defined in the Housing Benefit and Universal Credit legislation
- Lump sum payments for deposits or rent in advance where the applicant is moving to accommodation either inside or outside of the borough
- Removal costs where the applicant is moving to accommodation either inside or outside of the borough.

- 2.2. Lump sum payments will be considered to help customers, where their current tenancy is unsustainable, to move to more affordable accommodation. In order to receive a lump sum payment, the customer must be receiving Housing Benefit or Universal Credit (that includes a housing costs element) at their current address in Cheltenham.

#### 2.3. What DHPs do not cover:

- service or rental charges ineligible for Housing Benefit
- increases in rent due to outstanding rent arrears
- certain sanctions and reductions in benefit
- Council Tax liability.

### **3. Principles governing the award of DHPs**

- 3.1. There is no statutory right to a DHP as the scheme is discretionary.
- 3.2. The Council has formulated this policy having regard to the Department for Work and Pensions' DHP Guidance Manual and Local Authority Good Practice Guide, dated December 2016.
- 3.3. Within the above constraints, the Council's broad aim is to support people affected by welfare reform with a view to:
  - alleviating poverty
  - preventing homelessness
  - supporting people to secure paid employment
  - supporting people to secure sustainable and affordable accommodation
  - supporting people who out of necessity are temporarily occupying accommodation which is unaffordable from their benefits, such as foster carers between fostering placements and victims of domestic violence who are trying to move to a place of safety
  - supporting people who are in unaffordable tenancies but cannot move to more affordable accommodation due to particular reasons such as health, disability or child protection
- 3.4. The length of time over which a payment is made is at the discretion of the Local Authority. The period of the award and, more importantly any specific end date should be made clear to the customer. DHPs will not normally be used to provide long term support for individuals. They will be used to provide short term support to allow people the time to resolve their current financial difficulties and to move to a position which is financially sustainable for them in the longer term.
- 3.5. The Council may require customers to demonstrate that their housing costs are unaffordable having regard to all of their sources of income and savings by providing evidence of their income and outgoings.
- 3.6. DHP customers will be expected to take personal action to mitigate the impact of welfare reforms on them. This action will normally include seeking paid employment and/or moving to more affordable accommodation and, where appropriate, to engage in obtaining personal advice to better manage their finances.
- 3.7. The Council may require customers to demonstrate that they have taken all options available to them before awarding a DHP, for example, by providing evidence that they have applied for jobs, are seeking more affordable accommodation and have sought advice on managing their finances. An award of DHP may also be conditional on customers demonstrating that they are continuing to take such action.
- 3.8. The Council may require such claimants to demonstrate that there are particular barriers preventing them from moving to a financially sustainable position before awarding DHP, for example, by providing evidence of serious physical or mental health problems or disabilities or caring responsibilities.

- 3.9. The Council will, in particular, take into account evidence that the cost to the Council of available alternatives would be greater than the cost of awarding DHP.
- 3.10. As a general rule, a DHP intended to address a shortfall in benefit to meet housing costs due to the benefit cap will be limited to a period of no more than one year. Additionally, a DHP intended to address a shortfall in benefit to meet housing costs due to other temporary hardship will be limited to a period of no more than six months. However these periods can be extended if the customer can demonstrate that their circumstances are exceptional.
- 3.11. Where a particular need for DHP has been demonstrated, the Council is not obliged to award a DHP to cover the full shortfall between benefit and housing costs, or to award DHP in respect of the whole period during which that shortfall is likely to continue. The Council may offer a lump sum, such as a rent deposit, in order to assist a claimant to move to more affordable accommodation however this will be restricted to one award in a twelve month period.

#### **4. Applications for a DHP**

- 4.1. The Council will accept an application from the Housing Benefit or Universal Credit customer or somebody acting on that person's behalf, for example, an appointee. All claims for a DHP must be made in writing using the prescribed application form, by the customer or their representative. If a customer has difficulties completing the form they should be encouraged to make a personal visit to the Council offices or be referred to an advice agency. Alternatively a visit to the customer's home can be carried out if considered necessary.
- 4.2. Each application will be considered on its own merits, taking into account relevant information provided by the customer in support of their application. If an award of a DHP is made for a period, this will not mean that the award is automatically renewed at the end of the period. A full review of the customer's circumstances will be carried out prior to a further award being made.

#### **5. Notification of decisions**

- 5.1. The customer will be notified in writing of the outcome of the DHP claim within 14 days of receipt of the claim and all supporting documentation, or as soon as possible after that. If a claim is unsuccessful, the Council's decision letter will include an explanation of how the decision has been reached and details of the right to request a review.
- 5.2. If the claim is successful, the Council's decision letter will include the following:
- the reason for the award
  - the amount awarded
  - the period of the award
  - who will be paid the DHP
  - the customer's duty to report any changes in circumstances
  - any conditions associated with the award
  - details of the right of review

## **6. Backdating a DHP**

- 6.1 The Council will consider any reasonable request for backdating a DHP award. However these will be limited to the period in which the customer has been receiving Housing Benefit or Universal Credit during the current financial year unless exceptional reasons for a late claim are accepted. Backdating cannot be awarded prior to 2 July 2001 when the regulations permitting DHPs came into effect.

## **7. Method of payment**

- 7.1. The Benefits Service will decide on the most appropriate person to pay and the method and timing of payments based on the particular circumstances of each case. Where a DHP is awarded in respect of council rental liability any DHP will be credited to the relevant housing rent account and where a DHP is awarded as a lump sum payment for rent in advance or a deposit, payment may be made direct to the landlord.

## **8. Changes in circumstances**

- 8.1 The customer must tell the Council if their circumstances change after a DHP has been awarded. This is made clear to customers in the award letter and application form.
- 8.2 Customers must report all changes of circumstances that may be relevant to the DHP award to the Revenues and Benefits Service even if they have been reported to other services or departments. The Council reserves the right to revise a DHP award at any time if the customer's circumstances have changed.

## **9. Overpayments of a DHP**

- 9.1 The Council will make every effort to minimise overpayments of a DHP. If however an overpayment does occur, the Council will decide whether or not it is appropriate to recover it. If recovery action is appropriate the Council will use the most appropriate way in which to recover it. A written explanation of how the overpayment occurred and the periods and amounts to which it relates will be issued. .

## **10. Disputes**

- 10.1. DHPs are not payments of Housing Benefit or Universal Credit and are therefore not subject to the statutory appeals process. If the customer disagrees with a DHP decision they must put this in writing giving their reasons. This should normally be received by Cheltenham Borough Council within a month of the date of the decision although more time can be given in exceptional circumstances.
- 10.2. Although there is no formal appeals process, if a decision is challenged it will be looked at again in the light of representations made by the customer or their representative by a different, more senior officer to the one who made the original decision.
- 10.3. The customer will be notified of the decision of the review which will clearly state the reasons for the decision. If the customer remains dissatisfied with the decision, the case will be passed to the Council's Chief Financial Officer for further consideration.

Ultimately the customer can apply for a judicial review of the decision in the High Court but legal advice should be sought in the first instance.

## **11. Fraud**

- 11.1 The Council takes fraud seriously and has adopted a zero tolerance approach. All allegations of fraud will be investigated; should a person make a false statement or provide incorrect evidence in support of their application for DHP, they may commit a criminal offence. All such instances will be dealt with in accordance with the Counter Fraud and Anti-Corruption Policy and any overpaid monies will be recovered.