



PRESTON CITY COUNCIL AND LANCASTER CITY COUNCIL SHARED SERVICE

DISCRETIONARY HOUSING PAYMENTS POLICY

Introduction

Sections 69 & 70 of the Child Support, Pensions and Social Security Act 2000 provide for a system of discretionary housing payments to be devised and for subsidy limits to be imposed on those payments. The regulations covering Discretionary Housing Payments (DHP) are The Discretionary Financial Assistance Regulations 2001.

DHPs are not payments of benefit and are outside of the Housing Benefit regulations.

The scheme is discretionary and the local authority will not prescribe any conditions that need to be satisfied outside of the legal framework. To prescribe such conditions would fetter the local authorities' discretion and could lead to legal challenge. Each case will be considered on its own merits.

This policy ensures that the local authority will act fairly, reasonably, and consistently throughout the DHP decision-making process. All customers will be treated with due courtesy and respect and in accordance with the Council's policies.

The local authority aims to maximise benefit entitlement for all its customers. It is recognised that DHPs are not intended as long term solutions to housing and money management issues and that only by working jointly with colleagues from other services and agencies can we provide a full and comprehensive approach for our customers.

DHP awards including rent in advance, deposit or moving costs will only be granted to help vulnerable customers where there are exceptional or unusual circumstances.

This policy is not intended to define specific situations when we will or will not make a discretionary payment; to do so would make the policy too rigid and may prevent payments being made where there are exceptional or unusual circumstances. Payments are expected to be made to meet current needs rather than past debts.

DHP Awards

The Discretionary Housing Payment scheme allows local authorities to provide discretionary financial assistance to customers claiming housing benefit or universal credit when they consider that additional help with housing costs is needed. Housing costs are defined as rent.

DHP awards should generally be viewed as either a one off payment or a short term payment that is paid in addition to the claimant's individual housing benefit entitlement or universal credit.

The purpose of the DHP award is to give people time to assess their current position, by looking for cheaper accommodation, seeking budget advice or adjusting to changed circumstances. DHP can also be used to assist customers claiming housing benefit or universal credit to secure a new tenancy; by means of rent in advance, deposit or moving costs.

In addition, Discretionary Housing Payments can be used to provide support to customers affected by some of the key welfare reforms including:

- Reductions in Housing Benefit where the Benefit Cap has been applied.
- Reductions in Housing Benefit for under-occupation in the social rented sector.
- Reductions in Housing Benefit as a result of Local Housing Allowance restrictions to the shared room rate for those customers who have not reached 35 years.

The Council will administer the award of Discretionary Housing Payments to:

- Alleviate poverty.
- Encourage and sustain the Authorities residents in employment.
- Help those who are trying to help themselves.
- Keep families together.
- Prevent child poverty.
- Support the vulnerable in the local community.
- Help customers through a personal crisis / difficult event.
- Support households that are returning to work after a period of unemployment and provide assistance in the managing of their finances during the transition.
- Support those who are in affordable housing but at risk of becoming homeless due to being unable to meet their full rent liability due to severe financial difficulties from the effects of the current economic climate.
- Support those who are in affordable housing but require extra assistance to remain in their home where it has been adapted for their disablement needs.

To qualify for a DHP, the applicant must be liable to pay rent, have a shortfall between the eligible rent and housing benefit/universal credit, and be in receipt of housing benefit or universal credit for housing costs for the period concerned.

DHPs are excluded from the rights of Appeal to an Appeals Tribunal. However, a DHP claimant can request that the panel look at the decision again within 14 days of the date of the decision. Ideally, the claimant should provide new information and evidence to support the claim. Where the disagreement cannot be resolved the case will be reviewed by the Benefits Manager and a decision will be made within 14 days of referral or as soon as practicable.

DHP Panel

Preston City Council and Lancaster City Council will each have their own DHP panel to consider the claims.

Generally claims will be considered by the panel. However, full responsibility for the decision to award payments, recording and making those payments and the legality of payment will remain with the Benefits Manager/Assessment Manager at each local authority.

However, DHP claims for deposits, rent in advance and moving costs may be considered by a senior officer of the Benefits Team where a decision is needed urgently.

Preston City Council

The DHP panel comprises of three services within Preston City Council:-

- Revenues (Housing Benefits and Council Tax Support)
- Housing Advice and
- Welfare Benefits

Senior Officers from each of these services will offer assistance from their own particular areas of expertise. These will incorporate a full benefit entitlement check, housing advice and homelessness issues, a welfare benefits check and debt / budgetary advice and assistance.

Lancaster City Council

The DHP panel comprises of representatives from two services and two statutory/voluntary agencies; currently consisting of representatives from:

- Revenues (Housing and Council Tax Benefits);
- Strategic Housing
- Lancashire Care NHS
- Citizens Advice Bureau

The representatives will meet on a weekly basis to consider all claims and wherever necessary offer assistance from their own particular areas of expertise and signpost customers to other agencies where applicable.

Administration of DHP claims

In accordance with the legislative requirements of the scheme, local authorities are responsible for the determination and award of claims.

Who can claim?

Claims can be considered if the customer is entitled to housing benefit or universal credit and has a rental liability and requires further financial assistance with housing costs. A customer

who is receiving local council tax support only, with no rental liability is not eligible to apply for a DHP.

The Benefit Teams in Revenue Services will administer the DHP scheme and will:

- Provide a specified claim form for the purpose of claiming a DHP. Claims may be accepted by other means such as by telephone and by personal visit.
- Identify potential DHP claimants from records held and invite a claim accordingly. This is in addition to normal take up activity.
- Provide training and procedural notes to relevant members of staff.
- Pay awards of DHPs via the Housing Benefit payment system and within the relevant payment cycles.
- Notify a person claiming a DHP payment of the outcome of his/her application in writing stating the reason/s for the decision and providing details of dispute rights.
- Inform a person claiming a DHP of their duty to notify the Council of relevant changes of circumstances.
- Review a DHP award at the same time as entitlement to Housing Benefit is reviewed.
- Recover overpaid DHP dependent on the circumstances that gave rise to the overpayment.
- Periodically review the DHP claim process for effectiveness and efficiency.

Financial implications

The amount that the council can pay out in DHP's is limited and local authorities are advised of their threshold limits on an annual basis by the Government. The amount can only meet a very small percentage of the demand.

Payment up to the lower threshold can be claimed back from Central Government in the same way as normal benefit subsidy. Anything paid between the lower and higher threshold levels must be funded by the local authority and payment above the higher threshold is prohibited.

When used for additional help with on-going housing costs the level of a DHP award cannot exceed the shortfall between rent charged and Housing Benefit paid. There are also elements of a person's rent and shortfalls in benefit that cannot be met by a DHP and these are prescribed by regulations.

Monitoring and reporting

The Assessment Manager will complete statistical returns as required (Initial Estimate, Mid-year Estimate and Final Subsidy claims) which need to be authorised by the responsible S151 Officer for each authority.

In addition, the Assessments Manager will prepare and submit to the panel on a monthly basis, details of the current expenditure and a forecast of expected expenditure to the end of each financial year.

A quarterly report will also be prepared for the portfolio holder in each authority.