



## **Appendix A**

# **Discretionary Housing Payments Policy**

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## **1.0 Introduction**

- 1.1 Discretionary Housing Payments (DHP) were first introduced in July 2001 and local authorities are responsible for their administration.
- 1.2 A DHP may be awarded where the local authority determines a housing benefit or universal credit claimant requires further financial help towards their housing costs.
- 1.3 A DHP can be awarded to help cover:
  - Shortfalls between the rental liability and payment of housing benefit or payment of universal credit (housing costs element).
  - A one off DHP to help towards removal costs.
  - A one off DHP to help with a rent deposit.
  - A one off DHP for rent in advance.

## **2.0 Funding**

- 2.1 Each financial year, Tewkesbury Borough Council is given a set amount of funding from Central Government for DHPs. Once this money has been spent, there is no further funding available until the following financial year.
- 2.2 In England and Wales, local authorities can use their own funds to top up the Government contribution by an additional 150%. Once an authority's overall cash limit is met, no additional DHPs can be awarded in that financial year.

## **3.0 Operation of the policy**

- 3.1 This document specifies how Tewkesbury Borough Council will operate the DHP scheme and indicates some factors that will be considered when deciding if a discretionary housing payment can be made. Each application will be considered on its own merits, taking into consideration the guidelines detailed in this document. All applicants will be treated equally and fairly.

## **4.0 Principles governing the award of Discretionary Housing Payments**

- 4.1 The Discretionary Finance Assistance Regulations 2001 provide the statutory basis for the award of discretionary housing payments.
- 4.2 Tewkesbury Borough Council is committed to collaborating with social landlords, the local voluntary sector, debt advice agencies and any other interested parties within the borough to maximise publication of the scheme in order to help as many residents as possible.
- 4.3 We will consider making a discretionary housing payment to an applicant who meets the qualifying criteria, although this will be subject to budget limitations.
- 4.4 Before making an award, we must be satisfied that the applicant is entitled to:

- Housing Benefit; or
- Universal Credit where housing costs are included; and
- Has a rental liability; and
- Requires further financial assistance with housing costs

4.5 Tewkesbury Borough Council has set the following key objectives in assessing discretionary housing payments using the Department for Work and Pensions' Discretionary Housing Payments Good Practice Guide:

- Alleviating poverty
- Encouraging and sustaining people in, and into, employment
- Tenancy maintenance and homeless prevention
- Safeguarding residents in their own homes
- Helping those who are trying to help themselves
- Keeping families together
- Ensuring that domestic abuse victims who are trying to move to a place of safety are supported
- Supporting the vulnerable, including young children and the elderly in the local community
- Supporting young people in the transition to adult life
- Promoting good educational outcomes for children and young people
- Supporting disabled people to remain in adapted properties
- Supporting care leavers
- Supporting refugees

4.6 The Council considers that Discretionary Housing payments should only be seen as short-term financial assistance. It is not and should not be considered as a way around any current or future entitlement restrictions set out within the legislation governing housing benefit and universal credit.

## **5.0 What Discretionary Housing Payments cannot cover**

5.1 There are certain elements of a claimant's rent that the housing benefit and universal credit 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
- Rent when the applicant is receiving council tax reduction, but not housing benefit or help with housing costs in universal credit
- Shortfalls caused by housing benefit or universal credit overpayment recovery: when recovery of a housing benefit or universal credit overpayment is taking place, such shortfalls should not be considered for a DHP.

5.2 DHPs cannot cover council tax, even if the applicant receives local council tax support.

## **6.0 Definition of shortfall**

6.1 A shortfall between the rental liability and payment of housing benefit or payment of universal credit (housing costs element) can occur due to:

- the rent determined by the Rent Officer/Local Housing Allowance being lower than the claimant's eligible rental liability.
- removal of the spare room subsidy in the social rented sector.
- the benefit cap being applied.
- the applicant being able to demonstrate that they are unable to meet their housing costs from their available income.

## **7.0 The application process**

7.1 We encourage applications to be made using our online form, however we will provide paper copies of the application form on request. Please contact us on [dhp@tewkesbury.gov.uk](mailto:dhp@tewkesbury.gov.uk) or 01684 272035.

7.2 All required supporting evidence must be provided at the time of application. If it is not provided, the application will automatically be refused.

## **8.0 Supporting evidence**

8.1 In all cases the applicant is required to provide the following evidence:

- Bank statements for three months prior to the application date.
- Tenancy agreement to confirm rent liability.

8.2 If applicable, evidence of any health issues reported in the application.

8.3 Other relevant evidence in support of the application such as a notice of eviction.

## **9.0 Considerations when deciding on the award of a DHP**

9.1 The following factors will be taken into consideration when deciding whether to award a DHP.

- The shortfall between housing benefit or universal credit (housing costs element) and the rent liability
- Any steps taken by the applicant to reduce their rental liability.
- The financial and medical circumstances (including ill health and disabilities) of the applicant, their partner and any dependants and any other occupants of the applicant's home.

- The income and expenditure of the applicant, their partner and any dependants and other occupants of the applicant's home. This will be demonstrated through completion of the DHP application form.
- Non-essential items of expenditure including, but not limited to, alcohol, cigarettes, newspapers and magazines will not be taken into consideration when assessing the application.
- Any savings or capital held by the applicant and/or partner.
- Steps taken to achieve financial independence, for example requesting and acting on advice provided by Citizens Advice and other similar organisations.
- Where relevant, the applicant must be able to show evidence of engagement with the Council's Housing Advice Team and be actively bidding on Homeseekers Plus to facilitate a move to more affordable accommodation.

9.2 The Council will decide how much to award based on individual circumstances. This may be an amount below the difference between the rent liability and the housing benefit/universal credit (with housing costs element).

9.3 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.

## **10.0 Scheme of delegation**

10.1 The Council's Executive committee has approved this policy.

10.2 Officers of the Council will administer the scheme in accordance with the policy framework.

## **11.0 Notification of decisions**

11.1 The applicant will be notified in writing of the outcome of their application within 15 working days of receipt of the application and all required supporting documentation, or as soon as possible after this date.

11.2 All decisions made by the Council shall be notified to the applicant by email, unless the applicant does not have an email address. In such cases the applicant will receive notification through the post.

11.3 If the application is successful, the decision will advise the following:

- The reason for the award
- The amount awarded
- The period of award
- Any conditions associated with the payment
- Who will be paid the DHP
- The applicant's duty to report any change in circumstances

11.4 If the applicant is unsuccessful, a reason will be provided as well as details of the right to request a review.

11.5 Reasons for refusal are not limited to, but will usually be for the following reasons:

- Other support/provision has been granted for the need/situation.
- Eligibility criteria has not been met.
- Exceptional need has not been evidenced.
- Exceptional financial circumstances not evidenced.
- The applicant has already received a DHP either as financial support through an ongoing DHP or a one-off payment, rent in advance or a rent deposit.
- The applicant chooses to cancel the arrangement where support/assistance is being provided by another body.

## **12.0 Start date of a DHP award**

12.1 The start date of the award is determined by the Revenues and Benefits team and can be either:

- The Monday following the date a claim for a DHP is received.
- The date on which entitlement to housing benefit or universal credit (including housing costs element) commenced.
- The date on which the need for support through a DHP arose.

## **13.0 Length of award**

13.1 Any payments made under this policy will be made for a period relevant to the applicant's circumstances and will be decided on a case-by-case basis.

13.2 Awards will be made for a maximum of 26 weeks in the case of exceptional hardship.

## **14.0 How will payments be made**

14.1 We will decide the most appropriate person to pay based upon the circumstances of each case. This could include:

- The applicant
- Their partner (if resident in the household)
- An appointee
- The applicant's landlord (or an agent of the landlord)
- Any third party to whom it is appropriate to make a payment.

14.2 Payments will usually be made by BACS.

14.3 Where the DHP award is made on an ongoing basis, the payment frequency will normally be aligned to the housing benefit payment cycle.

## **15.0 Reviews of decisions**

- 15.1 Discretionary housing payments are not payments of housing benefit or universal credit and are therefore not subject to a statutory appeals process.
- 15.2 If the applicant disagrees with a decision, they must either write to the Council or email on [dhp@tewkesbury.gov.uk](mailto:dhp@tewkesbury.gov.uk) giving their reasons.
- 15.3 If a decision is challenged it will be reconsidered by an independent officer. The applicant will be notified of the review decision in writing, usually by email.
- 15.4 Like any discretionary decision, the applicant may apply for a judicial review. The applicant is advised to take independent legal advice before taking this course of action.

## **16.0 Reporting changes in circumstances**

- 16.1 The applicant must tell the Council if their circumstances change after a DHP is awarded. This is made clear to the application in both the application form and award letter, if successful. This must be reported as soon as possible and not later than one month from the change occurring.
- 16.2 Applicants must report all changes that may be relevant even if they have been reported to other services or departments.
- 16.3 The Council reserves the right to amend a DHP award at any time if the applicant's circumstances have changed.

## **17.0 Complaints**

- 17.1 The Council's complaints procedure (available on the Council's website) will be applied in the event of any complaint received about this scheme, apart from the decision to award or not award a discretionary housing payment.

## **18.0 Recovery of a discretionary housing payment**

- 18.1 The Council will make every effort to minimise overpayments of discretionary housing payments, however in certain circumstances this cannot be avoided.
- 18.2 The Council will consider recovering a DHP if it is found the award has been overpaid because of:
- A misrepresentation or failure to disclose a material fact; or
  - An error was made when the application was determined
- 18.3 A written explanation of how the overpayment occurred, the period to which it relates and the amount will be issued to the applicant.

18.4 Generally, the Council will not seek to recover an overpayment caused by official error unless the applicant caused or contributed to the error or was aware that they were receiving a payment to which they were not entitled.

18.5 If recovery action is appropriate, the Council will recover the discretionary housing payment as a sundry debtor. An overpaid discretionary housing payment cannot be recovered by the Council through ongoing housing benefit entitlement.

## **19.0 Publicity**

19.1 The Council will publicise the scheme and will collaborate with all interested parties to achieve this.

## **20.0 Managing the risk of fraud**

20.1 Tewkesbury Borough Council is committed to its fight against all forms of fraud. All allegations of fraud will be investigated and, should an applicant make a false statement or provide incorrect evidence in support of their application for a discretionary housing payment they may commit a criminal offence.

## **21.0 Policy review and monitoring**

21.1 The policy will be reviewed annually by officers to ensure it remains valid, effective, and relevant. If any significant policy amendments are required, the policy will be brought back to the Executive committee for consideration.

21.2 All applications for DHPs are recorded to allow for the monitoring of performance and expenditure. Monthly reports on DHPs will be provided by the Revenues and Benefits Manager to the Head of Finance and Asset Management and the Lead Member for Finance and Asset Management.

## **22.0 Further guidance**

22.1 Further guidance on the administration of discretionary housing payments can be found in the Department for Work and Pensions 'Discretionary Housing Payments Good Practice Guide'