

# **Discretionary Housing Payments Policy 2017/18**

**April 2017**



**Oldham**  
Council

## **Discretionary Housing Payments Policy 2017/18**

### **1. Introduction**

- 1.1 In July 2001 the Discretionary Housing Payment Scheme was introduced giving Councils powers to make Discretionary Housing Payments (DHPs) to top up the Housing Benefit and Council Tax Benefit.
- 1.2 The DHP policy has been revised to reflect changes to the benefits system introduced by the Welfare Reform Act 2012; this includes the introduction of Universal Credit, the size criteria and the benefit cap.
- 1.3 From April 2013 Council Tax Benefit was replaced by a localised Council Tax Reduction (CTR) scheme this means that awards of DHP will no longer be payable for Council Tax.
- 1.4 This policy has been developed based on the Discretionary Housing Payments Good Practice Guide April 2013 issued by the Department for Works and Pensions.
- 1.5 All officers involved in the consideration and processing of DHP applications will adhere to this policy.
- 1.6 The purpose of this policy is to specify how Oldham Council will operate the DHP scheme and indicate some of the factors that will be taken into account when considering if a DHP can be made. Each case will be treated strictly on its merits and all customers will be treated equally and fairly.
- 1.7 The Discretionary Housing Payments Government contributions for 2017/18 is **£683,177**. This budget will be allocated to support those most in need including those affected by Welfare Reform.

### **2. Purpose of the Scheme**

- 2.1 Oldham Council will consider making a DHP to customers who meet the qualifying criteria as specified in this policy. Oldham Council will seek through the operation of this policy to:
  - alleviate poverty
  - encouraging and sustaining people in employment
  - Tenancy sustainment and homelessness prevention

- support vulnerable young people in the transition to adult life
- encourage Oldham residents to obtain and sustain employment
- safeguard residents in their homes
- help those who are trying to help themselves
- keep families together
- support vulnerable or elderly in the local community
- help claimants through personal crises and difficult events
- promoting good educational outcomes for children and young people
- support those affected by welfare reform

### **3. Principles of the scheme**

3.1 The main features of the DHP scheme are that:

- DHP's are not payments of Housing Benefit.
- there must be entitlement to the minimum amount of HB or UC including the housing element for rental costs, for any period that a DHP is awarded.
- the operation of the scheme is for Oldham Council to determine
- it is a discretionary scheme
- a customer does not have a statutory right to a payment
- the amount that can be paid by Oldham Council in any financial year is cash-limited by the Secretary of State and may be reduced, or increased in subsequent years
- the support should be seen as short term ,however in some instances the award can be used to provide longer term support.
- cannot be used to;
  - pay ineligible service charges;
  - to minimise the effect of Job Seeker Plus sanctions;
  - to make payment when HB/UCHE is suspended or
  - when a customer does not have a minimum entitlement of HB or UCHE
- The housing costs to which the DHP relates does not have to be the housing costs of the property for which the benefit is awarded. For

example, DHP can be used for a rent deposit or rent in advance for a property that the claimant is yet to move into, if the applicant is already entitled to HB or Universal Credit Housing element (UCHE) for their present home

## **4. The Application Process**

### **4.1 Requesting a DHP**

4.1.1 A request for a DHP application form is made by the completion of an online application form which is available from the council website on the link below:

- [http://www.oldham.gov.uk/info/200184/housing\\_benefit/942/discretionary\\_housing\\_payments](http://www.oldham.gov.uk/info/200184/housing_benefit/942/discretionary_housing_payments)

4.1.2 The claimant will be required to submit the e-form to the Benefits Service. The Benefits Service reserves the right to request further information by telephone or verify any information or evidence provided by the claimant. The customer will be asked to provide the evidence within one month of the request, although this will be extended in appropriate circumstances. If the customer is unable to or does not provide the required evidence, Oldham Council will still consider the application and will take into account any other available evidence including that held on Council databases such as Academy and/or DWP systems.

4.1.4 Oldham Council will first explore options available to the customer liaising with the homelessness prevention team, in order to negotiate with the landlord a more affordable rent where appropriate to do so.

4.1.5 Oldham Council will make referrals to advice agencies that can provide advice and information on managing finances and personal budgeting, where this could assist in providing a long term financial solution.

4.1.6 Oldham Council will also undertake proactive exercises to determine specific categories of claimant who may be eligible for a DHP. These cases may be awarded a DHP without completing an application form.

## **5. Deciding whether to award a DHP**

5.1 In deciding whether to award a DHP the Council will take into account:

- the shortfall between HB/UCHE and rental and liability;
- any steps taken by the customer to reduce their rental liability, such as seeking to take on more affordable accommodation;

- the financial circumstances of the customer, any partner, their dependants and other occupiers of their household;
- the income and expenditure of the customer, any partner, their dependants and other occupiers of their household;
- any savings or capital the customer or any partner, their dependants and other occupiers of their household;
- the level of indebtedness of the customer and their family;
- any medical issues, or other special needs, of the customer, partner or dependants, or other members of their household;
- the nature of the circumstances of the customer, for example where the customer has moved house in order to find more affordable accommodation and the fares to their place of work are now considerably higher;
- whether the circumstances of the customer are such that a DHP would not alleviate the problems of the customer within a reasonable period (say 12 months);
- the Local Housing Allowance rates.
- the effect of the April 2013 Size Criteria changes for Social Housing Tenants; Priority will be given to those who:
  - have had a property significantly adapted to meet disablement needs
  - need additional space because of their disability
  - are taking the necessary steps to either downsize or take on a boarder/lodger, but see circumstances when a DHP will not be awarded at 8.1 below
- the effect of the Benefit Cap changes to Housing Benefit. Priority will be given to those who can demonstrate that they are;
  - taking the necessary steps to help themselves and are working towards getting a job or additional income to meet the loss in HB/UCHE

- taking the necessary steps to move to cheaper alternative accommodation, but see circumstances when a DHP will not be awarded in 6.1 below

- any other special circumstance the Council are aware of
- the possible impact on the Council of not making such an award, e.g. the customer becoming homeless, fuel poverty, child poverty etc., and the costs associated with this
- the amount available in the DHP budget (the Council's overall cash limit is determined by the Government);

5.2 The Council will decide how much to award based on all the circumstances. This will be an amount between the liability and the amount of benefit already awarded.

5.3 An award of DHP does not guarantee that a further award will be made at a later date even if the customer's circumstances have not changed.

## **6. Circumstances when a DHP will not be awarded**

6.1 When a DHP application is received from a customer who cannot demonstrate that they are taking the necessary steps to help themselves i.e. they have not approached, or are not in continual engagement with relevant bodies that will help support them.

6.2 When a DHP application is received from a customer who is not considered to be a settled resident in Oldham Borough i.e. is not living and claiming HB/UCHE in the boundary area for Oldham Borough Council.

6.3 When a DHP application is received from a customer that shows the overall income exceeds the outgoings or where the applications shows there is unreasonable expenditure.

## **7. Period of Award**

7.1 The Council will decide the length of time for which a DHP will be awarded on the basis of the evidence supplied and the facts known.

7.2 The start date of an award will normally be:

- the Monday after the written request for a DHP is received, or
- the date on which entitlement to HB or UCHE commenced (providing the application for DHP is received within one calendar month of the claim for HB/UCHE being decided), whichever is the earlier, or the most appropriate.
- The Council will not usually award a DHP for a period exceeding 52 weeks. In exceptional circumstances the Council will consider an indefinite award or until such time the customer's circumstances change.
- The Council will consider any reasonable request for backdating an award, but usually limited to the current financial year.

7.3 All awards will be dependent on the funding available to the Council.

## **8. Payment of One-Off Lump Sums**

8.1 The Council will consider all reasonable requests for one off lump sum payments for example for; rent deposit, help with removal costs and rent in advance but usually only where benefit is not being paid direct to the landlord.

8.2 Any one off lump sum payment for rent in advance and rent deposit will usually be restricted to a maximum that is equal to one month contractual rent.

8.3 DHPs can be awarded for a rent deposit or rent in advance for a property that the claimant is yet to move into if they are already entitled to HB or UC at their present home.

8.4 When awarding DHPs for a rent deposit or rent in advance, it must be established that:

- the property is affordable for the tenant; and
- the tenant has a valid reason to move; and
- the deposit or rent in advance is reasonable; and
- moving within the borough.

8.5 It must be established with the claimant whether they:

- are due to have a deposit or rent in advance in respect of their existing tenancy returned to them; or
- have received assistance from another department within the Council towards a rent deposit (such as a rent deposit guarantee scheme or similar).

## **9. Change of Circumstances**

- 9.1 The Council may revise an award, either upward or downward, if the customer's circumstances change.

## **10. Notification**

- 10.1 Oldham Council will notify the customer the outcome of their request within fourteen days of making a decision.

Where the application is successful, Oldham Council will inform the customer of:

- the weekly amount of the award;
- the period of the award;
- the reason for the award;
- the method of payment;
- the conditionality (requirement to undertake take certain activities), where appropriate;
- the need to report changes of circumstances;

Where the request for a DHP is unsuccessful Oldham Council will explain the reasons why the decision was made and explain their rights for a review of the decision.

## **11. Payment of a DHP**

- 11.1 The Council will decide the most appropriate person to pay based on the circumstances of each case. This includes:

- the customer;
- their partner;
- an appointee;
- their landlord (or an agent of the landlord);
- any third party to whom it might be appropriate to make payment.

- 11.2 The Council will pay an award of DHP by electronic transfer

- 11.3 Payment frequency will normally be made in line with the HB/UCHE award.



## **12. Overpayments**

- 12.1 The Council will seek to recover any DHP found to be overpaid. Normally this will involve issuing an invoice to the customer or the person to whom the award was paid.
- 12.2 The Council will not normally seek recovery of any overpayment of DHP caused through our error.
- 12.3 A decision that a DHP is overpaid will be notified by decision letter. The claimant may request a review of the decision based upon the grounds that:
- the calculation of the overpayment is incorrect
  - the overpayment should not be recoverable as it was caused by Council error.

## **13. Fraud**

- 13.1 Oldham Council is committed to the fight against fraud in all its forms. Where the Benefits Service suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated. Any customer who tries to fraudulently claim a DHP might have committed an offence under the Theft Act (2006).

## **14. Review of a Decision**

- 14.1 Oldham Council can review a DHP decision in the event of a dispute, either at the time of the initial rejection or subsequent to a cancellation or recovery.
- 14.2 A DHP decision cannot be appealed to a Housing Benefit Tribunal however the claimant may take any disputes to the local government ombudsman, where there is an allegation of maladministration.

## **15. Publicity**

- 15.1 Oldham Council will publicise the scheme internally and externally through Council's website and the use of partner organisations working with all interested parties to achieve this. A copy of this policy statement will be available on the Council's website.

## **16. Monitoring**

- Oldham Council will retain overall responsibility for the monitoring of DHP awards against DHP budget, to ensure the scheme is administered in accordance with Council policy and within Government and Council budget.
- Discretionary Housing Payments may be delivered by other organisations on behalf of Oldham Council.

## **17. Further assistance and information**

- Residents will be signposted and referred to other organisations which can provide assistance and support.
- Information will be available at [http://www.oldham.gov.uk/info/100001/benefits\\_and\\_money](http://www.oldham.gov.uk/info/100001/benefits_and_money)

## **18. Policy Review**

- 18.1 The Council reserves the right to review and revise the policy at anytime based on information gained as a result of operating the scheme.
- 18.2 The Cabinet Member for Finance and Human Resources in conjunction with the Director of Finance are authorised by Cabinet to agree any revisions to the policy.