

# Discretionary Housing Payment Policy

2021 onwards



Runnymede Borough Council  
Runnymede Civic Centre  
Station Road  
Addlestone  
Surrey  
KT15 2AH



[www.runnymede.gov.uk](http://www.runnymede.gov.uk)

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## Introduction

Discretionary Housing Payments (DHP) provide additional financial assistance to customers who are already in receipt of Housing Benefit (HB) or the Housing Cost element of Universal Credit (UC) for a rental liability. DHP's are not classed as payments of benefit; they are freestanding payments to be made at the discretion of the Council, subject to an annual Government set fund, in cases where the Council considers extra help with housing costs is needed.

The regulations covering DHPs are The Discretionary Financial Assistance Regulations 2001. Amendments to the regulations are covered by the Council Tax Benefit (Consequential Amendments) Regulations 2013; The Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013. These regulations specify the basic requirements that must be met before an award can be made but thereafter, the regulations give local authorities (LA) wide discretion on the operation of the scheme, including such matters as the method of making the claim, information requirements and the recovery of any overpayments. In addition to the regulations, the Department for Work and Pensions has issued guidance on best practice for administering the DHP scheme. Further information can be found at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/827510/discretionary-housing-payments-guide.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/827510/discretionary-housing-payments-guide.pdf)

A DHP can be claimed by anyone who has:

- An entitlement to HB; or
- An entitlement to UC that includes a housing element towards rental liability;

**and**

- A shortfall between their rental liability and the amount of HB or UC housing cost element paid; and/or
- Requires further financial assistance

Although not defined in law, further financial assistance, means someone who is unable to meet housing costs from their available income, having explored every available alternative method to close the gap between the welfare payment and their liability.

They can be paid to meet a shortfall caused by any of the following:

- Reductions in HB or UC where the benefit cap has been applied;
- Reductions in HB or UC for under occupation in the social rented sector;
- Reductions in HB or UC as a result of Local Housing Allowance (LHA) restrictions;
- Rent shortfall to prevent a household becoming homeless whilst the housing authority explores alternative options;
- Policy to limit benefit to two children;
- Removal of the family premium;
- Non-dependant deductions;
- Income tapers or any other policy change that limits the amount of HB or UC payable.

They can also be paid by agreement via partnership working initiatives with housing providers to meet any or all of the following:

- Rent in advance
- Deposits
- Other lump sum costs associated with a housing need such as removal costs

NB: rent in advance and deposits will usually be paid direct to the landlord, and cannot duplicate HB already paid for a past period.

Following welfare changes from April 2013, the Government would specifically like LAs to assist with:

- LHA reforms
  - This funding is allocated on the basis of each LA's share of total anticipated losses experienced by HB claimants as a result of the reforms to LHA
- Benefit Cap
  - This funding is to provide short term support to those affected
- Social Sector Size Criteria

- This funding is aimed specifically at two groups; disabled people who live in significantly adapted accommodation; and foster carers, including those who need to keep an extra room when they are between fostering.

Following the abolition of council tax benefit from April 2013, DHP's can no longer be made towards council tax liability (owner occupiers). Relief is available through Discretionary Hardship Relief under Section 13A of the Local Government Finance Act 1992. (See Runnymede Borough Councils, Council Tax Discretionary Hardship Policy)

A DHP cannot be used to:

- Housing Cost element of UC in respect of mortgage interest payments. Owner-occupiers are not eligible to receive DHP's;
- Pay for service charges that would not be ineligible for Housing Benefit (such as water charges or meals);
- Minimize the effect of other benefit sanctions or any HB or UC overpayments;
- Cover increases in rent due to outstanding rent arrears;
- Make a payment when HB or UC is suspended;
- When a claimant does not have a minimum entitlement to HB or UC Housing element.

### **Main features of the DHP scheme**

The main features of Runnymede's DHP scheme are:

- It is purely discretionary;
- A customer does not have a statutory right to a payment;
- The amount the Council can pay out in total in any financial year is cash limited by The Secretary of State;
- Subject to the annual approval of the Housing Committee the Council will apply to the Secretary of State for permission to spend £30,000 each year from the Housing Revenue Account, which will be ring-fenced specifically for Runnymede Borough Council tenants;
- The administration of the scheme is for the Council's Housing Benefit Team to determine in consultation with Housing;

As part of the Welfare Reform Act and Welfare and Work Act 2016, the Government's policy is to reduce HB expenditure. It is achieving this by:

- Reducing the overall level of benefit paid in the private sector due to changes in LHA
- Reducing benefit paid in the social sector through under occupation
- Reducing benefit paid where overall benefit payments exceed the cap set by central government
- The DHP policy is designed to comply with the Government's policy whilst making sure Runnymede Borough Council has a clear and concise process in place to protect vulnerable residents, sustain tenancies where possible and prevent homelessness.

The Council recognises the importance of protecting vulnerable residents and also the possible adverse effect on individuals of the changes imposed by the Government's Welfare reform agenda. This policy has been developed to ensure the level of protection and support is available to those residents in most need. As there is no specific category of person for whom this applies, all applications will be treated on their merit and will purely be based on that person and/or their family's specific financial and personal circumstances.

It should be noted that DHP is intended to help in cases of exceptional financial hardship and not support a lifestyle or lifestyle choice. Whilst the definition of financial hardship' is not defined in law, it is accepted that adverse changes to the level of support will generally cause financial hardship.

Any payment made will be at the total discretion of the Council having due regard to the regulations and guidance issued by the DWP. Whilst payments will be discretionary, the Scheme will ensure a level of consistency and transparency in decision making and that no unfair treatment or discrimination will be recognised through this process.

Where possible, all applicants will be assisted with a full welfare check to ensure they are receiving the correct levels of help through discretionary funds and benefits. However, there is a requirement that the applicant will work with the Council and its partners to improve their financial and personal situation where at all possible.

This policy recognises the Armed Forces Covenant and will ensure that those who serve in the Armed Forces, whether Regular or Reserve, those who have served in the past or are currently serving, will face no disadvantage compared to other citizens in the application of this policy. Special consideration may be appropriate in some cases, especially for those injured or bereaved.

## Policy Details

The Council is committed to assisting claimants in long term financial planning and will assist or signpost to Citizens Advice (CA), Department for Work and Pensions, Money Advice Service, Child Maintenance Service and other appropriate external agencies for budgeting advice and assistance. Where the evidence provided indicates that the claimant is not claiming appropriate state benefits or tax credits to which they may be entitled, the Housing Benefit Team will refer them to those entitlements and provide details of other agencies that may be able to help with such a claim.

The Housing Benefit Team will consider making a payment of DHP to all claimants who meet the qualifying criteria as specified in this policy. The Council will treat all applications on their individual merits and will seek through the operation of this policy to:

- Alleviate poverty
- Encourage residents to obtain and sustain suitable accommodation
- Safeguard residents in their home
- Support those escaping domestic violence or racial abuse
- Support disabled people
- Help those who are trying to help themselves
- Keep families together
- Help claimants through personal crises and difficult events
- Work closely with the relevant housing officers to ensure the Council's Homelessness Strategy is taken into account
- Help the customer prepare for UC through the provision of on-line and personal budgeting support.

It is not and should not be considered as a way around any current or future entitlement to restrictions set out within HB or UC legislation.

**Claiming a DHP**

In applying for a DHP, the claimant is expected to commit to working with the Council and its partners to improve their financial and personal circumstances. They will be expected to accept assistance from either the Council or third parties such as Citizens Advice (CA) or similar organisations to enable them to manage their finances more effectively including where appropriate the termination of non-essential expenditure.

An application for DHP may be made at any time, although it will not normally be considered until the actual rate of HB or UC has been determined. The application will be made where possible through the Council's website or on the Council's formal application form and should include any relevant supporting evidence including full details of the claimant's income and expenditure.

The Council reserves the right to verify any information or evidence provided by the claimant and may request additional evidence as appropriate. The evidence has to be provided within 10 working days of such a request, although this will be extended in appropriate circumstances. If the claimant does not or cannot provide the requested information, the application will be considered based on the evidence that is available at the time.

Once the application is complete, it will be considered on its own merits, in accordance with the legislation, available funding and stated objectives of the scheme.

Once a decision has been made, the applicant will be notified in writing within 5 working days of receipt of all the necessary information or as soon as practicable thereafter.

Where the application is successful, the Council will advise:

- The weekly amount of DHP awarded or total amount for a one-off payment
- Whether it is paid in advance or arrears
- The period of the award
- How the award will be paid and to whom
- The requirement to report a change in circumstances

Where the application is unsuccessful, the Council will set out the reasons why this decision was made and explain the right to review.



## Awarding a DHP

In deciding whether to award a DHP, Runnymede Borough Council will take into account:

- Whether the DHP fund is the most suitable funding stream for the applicant
- The shortfall between HB/UC and the liability
- The local rental market (the cost and availability of alternative accommodation)
- Any steps taken by the claimant to reduce their rent
- The financial and medical circumstances (including ill health and disabilities) of the claimant, their partner and any dependents and any other occupants of the claimants home
- All income received by the claimant, their partner and any member of their household irrespective of whether the income may be disregarded under the HB/UC schemes
- Where the claimant or any member of their household receives disability benefits, the Council will ensure that it takes into account whether the money from these benefits have been committed to other liabilities associated with the disability
- Any savings or capital that might be held by the claimant or their household
- The steps being taken and ability to improve their financial situation
- The prevention of homelessness taking into account the Council's homelessness strategy
- Possible impact of the Council not making such an award e.g. pressure on Council's finances
- Maintaining the family as a unit and also taking into account the accommodation needs of absent parents
- The exceptional nature of the claimant and their family's circumstances especially vulnerability

In making the award, the amount of DHP will never be higher than the weekly eligible rent shortfall.

The Council reserves the right when awarding a DHP to advise claimants to consider seeking alternative accommodation if it felt that the current home is not appropriate to their needs having considered all the information provided to them.

It is reasonable to expect claimants to reduce spending on non-essential items such as mobile telephones, satellite television, broadband or social entertainment. The Council will consider personal circumstances when identifying what is non-essential spending.

Under no circumstances should a reason to refuse DHP be based solely on the funding mechanism unless it exceeds the permitted total. Where their funds are insufficient to meet the needs of the claimant, an application will be made to the Council's Section 151 Officer to consider payment from the Council's own budget.

### **Period of Award**

In all cases, the Council will decide the length of time for which a DHP will be awarded on the basis of the evidence supplied and facts known.

The start date of an award will be decided based on the individual facts relevant to the case. A DHP can only be awarded after the end of the first UC assessment period where the award includes a payment of housing cost element.

Generally, the minimum period for which a DHP will be awarded is one week and the maximum will not exceed a period of 12 months at which point the claimant will be able to reapply. During the period of the award, if the applicant fails to take the opportunity to remedy their situation, such as refusing an offer of suitable alternative accommodation the award may be ended.

The Council will consider any reasonable request for backdating an award of a DHP but such consideration will be limited to the current financial year. A DHP cannot be awarded for any period where HB or UC is not in payment.

An award of DHP does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed. Repeat awards will only be agreed where the claimant has taken reasonable steps to work with the Council and its partners to improve their financial position or the Council considers that the claimant is unable to make any further reasonable changes to improve their housing situation.

### **Changes of Circumstances**

The Council should always review an award of DHP where the claimant's circumstances have materially changed. Claimants would be expected to notify the Council of any changes to their circumstances which may affect the award of a DHP.

### **Appeals**

DHP awards are not part of the HB or UC schemes and are therefore not subject to the statutory appeal process.

However, if the claimant is dissatisfied with the decision in respect to their application for a DHP, they have the right to request a review by a senior manager within the Housing Benefits Team within 1 month from the original decision to refuse DHP. The request must contain the grounds on which the claimant is seeking a review.

The claimant will be notified in writing within 21 working days of the outcome of the review or as soon as practicable thereafter. The letter will clearly state the reasons for the decision.

If the claimant remains dissatisfied after the review, the applicant can make a complaint through the Council's complaint procedure, or there is the option of applying to the Courts for a Judicial Review.

### **Fraud and overpaid DHP's**

The Council is committed to protecting the public purse and ensures funds are awarded to people who are rightfully eligible for them.

A claimant who tries to fraudulently claim a DHP by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

Where the Council suspects such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings.

Where a DHP has been overpaid, then the Council may recover the overpaid amount by sundry debt invoice. DHP's cannot be recovered from any benefits including HB.

### **Communicating this policy**

The Council will publicise this scheme both on the Council's website and with all other interested partners and organisations. The Council will raise awareness of the scheme with other services and agencies such as CAB, Housing Associations, the Family Support Team, Adult Social Care and Look Ahead. We will ask our partners to use their own communication and distribution channels to promote the scheme and provide Runnymede Members with information to share with any constituents who contact them.

### **Review**

The overall policy will be reviewed each April although quarterly monitoring of expenditure will continue from April 2017 and reported through government returns and to elected Members as required.

The Housing Benefit and Housing teams will work together to monitor the spend and the outcomes to ensure the policy objectives of Runnymede Borough Council are met and feed into this annual review any lessons learned and best practice from other Local Authorities and the Department for Work & Pensions Discretionary Housing Payments guidance manual.