

# Discretionary Housing Payment Policy

Document owner	Martyn Marples
Document author	Dawn Hallsworth
Document manager	John Massey
Approved by and when	
Date of document	7 October 2015
Version	V 6.0
Document classification	Internal
Document distribution	Internal
Document retention period	Until date of next review
Location	
Review date of document	TBA

**If you require this document in large print, on audio tape, computer disc or in Braille please contact the document manager.**

<b>Date Issued</b>	<b>Version</b>	<b>Status</b>	<b>Reason for change</b>
March 2013	1.0	Final	Approved by Cabinet 20 March 2013
September 2013	1.1	Draft	Comments & update following review
October 2013	2.0	Final	Updated with revisions
December 2013	2.1	Draft	Update following change to HB regulations relating to disabled children unable to share a bedroom
December 2013	3.0	Final	Updated with revisions
July 2014	3.1	Draft	<ol style="list-style-type: none"> <li>1. DHPs can now be received along with CTH or any other discretionary award.</li> <li>2. Time limit for reviews now 21 days</li> <li>3. Customer not being able to seek money advice does not necessarily mean claim will be declined</li> </ol>
July 2014	4	Final	Includes the change that sanctions / disallowances are now no longer a barrier to DHP
September 2014	4.1	Draft	Removes reference to financial restrictions in funding arrangements  Reviewed by WR checkpoint
October 2014	4.2	Draft	Updates reference to financial arrangements Removes erroneous remaining reference to other support available Removes erroneous remaining reference to sanctions / disallowances DHPs can now be used for removal costs
October 2014	5.0	Final	Includes reference to endeavouring to manage scheme within budget
February 2015	5.1	Draft	<ol style="list-style-type: none"> <li>1. Remove reference to historic increase of funding and priority groups, including giving more protection for particularly vulnerable people who need to be “allowed” an extra bedroom due to their circumstances has been removed</li> <li>2. Maximum award period reduced to six months for all claimants</li> <li>3. Only one DHP award in any single financial year</li> <li>4. Eligibility requirements and administrative arrangements for Universal Credit (UC)</li> </ol>

			<p>claimants inserted</p> <ol style="list-style-type: none"> <li>5. Addition of payment arrangements sections</li> <li>6. Date of next review rolled on for 12 months</li> </ol>
March 2015	5.2	Draft	<p>For UC claimants, subject to having the necessary IT functionality available:</p> <ol style="list-style-type: none"> <li>1. Payments for Derby City Council tenants to be credited directly to their rent accounts</li> <li>2. Payments for claimants with an Alternative Payment Plan in place to be made direct to the landlord.</li> </ol>
March 2015	5.3	Draft	<p>Claimants who have had a disabled adaptation made to their property for someone living in their household will be a priority group; awards for 12 months.</p>
March 2015	5.4	Draft	<p>Add in to priority groups:</p> <ul style="list-style-type: none"> <li>- Claimants on high rate DLA</li> <li>- Foster carers</li> </ul> <p>Awards for up to 12 months for those in priority groups.</p>
April 2015	5.5	Draft waiting Cabinet approval	<ol style="list-style-type: none"> <li>1. Refers to this policy being for the 2015/16 financial year</li> <li>2. Claimants receiving high rate DLA removed from Priority Groups</li> <li>3. Includes reference to 12 month awards ending on 31 March 2016.</li> </ol>
August 2015	5.6	Draft waiting Cabinet approval	<p>Add in extra priority group to reflect option 2 – those affected by more than one welfare reform</p>
September 2015	5.7	Draft awaiting PCCM approval	<ol style="list-style-type: none"> <li>1. All other claimants will be entitled to receive a six month award and should they make a second award they will be entitled to a further three month award. These claimants will be redirected to the Universal Services Delivered Locally pilot for additional support.</li> <li>2. All claimants must complete an income and expenditure assessment, although for priority groups these details would be used for information only and not to determine the award</li> </ol>
October 2015	6.0	Final	<p>Approved by Council Cabinet 7 October 2015</p>

<b>Equality impact assessment record</b>	
Date of assessment	23 May 2013
Summary of actions from EIA	

<b>Contents</b>	<b>Page</b>
Introduction	6
Purpose and Aim	6
When a payment may be made by the Council	6
Priority Group	7
Eligibility criteria	7
When the Council may not make a Discretionary Housing Payment	8
Payment arrangements	8
Disputed decisions	8
Data access and sharing	9
Evaluation and review	9

## 1. Introduction

The Discretionary Financial Assistance Regulations 2001 provide a statutory duty to Derby City Council (hereafter referred to as “the Council”) to operate the Discretionary Housing Payment (DHP) scheme.

The Welfare Reform Act will reduce the national welfare bill by £18bn over 5 years. Reductions in the level of Housing Benefit (HB) awarded, and the amounts of Universal Credit (UC) payable will contribute to this overall savings program.

There are clear significant tensions likely to arise given the limited funding provided both nationally and locally to address the impacts of Welfare Reform.

## 2. Purpose and Aim

To prescribe Derby’s arrangements for DHPs for the provisions of short term support for eligible HB and UC households and to ensure that DHPs assist those Derby residents who demonstrate an exceptional and financial need for support.

Customer Management will endeavour to manage DHPs within the allocated budget so as not to create financial pressures on other Council services.

This policy is for the 2015/16 financial year.

## 3. When a payment may be made by the Council

To be considered under this policy **either**:

- (a) The claimant must be receiving HB and must have a shortfall between their eligible housing costs and their HB due to any of the following:
  - (i) a reduction in HB as a result of the under occupancy bedroom cap legislation
  - (ii) a reduction in HB as a result of the household benefit cap
  - (iii) a shortfall in HB as a result of LHA limitations
  - (vi) a shortfall in HB faced by a private sector tenant where the eligible rent is restricted to the Rent Officer’s valuation
  - (v) a shortfall in HB where the claimant’s income is higher than their applicable amount (the amount the Government says they need to live on each week) and there is a taper deduction made
  - (vi) a shortfall is created by a non-dependant deduction.

Or

- (b) The claimant must be receiving Universal Credit (UC) and must have a shortfall between their eligible housing costs and their UC housing costs award.

#### **4. Priority Groups**

The following claimants will be treated as being priority groups:

- (a) Claimants who have had a disabled adaptation made to their property to meet the disability needs of a member of their household;
- (b) Foster carers;
- (c) Those affected by more than one welfare reform.

For claimants in priority groups, DHP awards can be allowed for up to 12 months, ending on 31 March 2016.

#### **5. Eligibility Criteria**

To be eligible for a DHP all the following conditions must be satisfied for an award to be considered.

Claimants must:

- (a) Either:
  - i. Be in receipt of HB; or
  - ii. Be in receipt of UC and have a housing costs element in place as part of their UC award.
  
- (b) Be able to prove demonstrable financial hardship or have experienced personal exceptional circumstances, for example the bereavement of a close relative. Demonstrating financial hardship will normally be through the completion of an income and expenditure form.
  
- (c) Be able to demonstrate steps taken to achieve financial independence, for example requesting and acting on advice from the Money Advice service. However, in circumstances where access to money advice is limited due to lack of resources in the organisations providing this assistance (for example the Council, or the third sector) combined with significant increases in demand for DHPs, it may not be possible for customers to ask for, receive or act on advice in a timely manner. In this situation they will not be excluded from potentially receiving a DHP, as long as they can satisfy the other eligibility criteria. The customer will be advised to make an appointment where this is available.
  
- (d) Make an application on an approved e-form. As part of this all claimants must complete an income and expenditure assessment, although for priority groups in section 4 above these details would be used for information only and not to determine the award.

Any on-going payment granted under this policy will be for a period of up to six months, apart from the priority groups set out in section 4 above.

All other non-priority claimants will be entitled to receive a six month award in the first instance and should they make a second award they will be entitled to a further three month award. These claimants will be redirected to the Universal Services Delivered Locally pilot for additional support.

The Council will determine the level of payment to be awarded; this will be considered on a case by case basis and may be subject to variation as any HB or UC changes are applied.

The Council will consider the household's overall financial capacity when determining an award for DHP.

A DHP may be awarded to support a move to cheaper alternative accommodation where the applicant is unable to access this support from other Council or partner organisations' home-move support schemes. This type of award will be limited to either a rent deposit or rent in advance in lieu of an on-going DHP award, or to cover reasonable removal costs.

## **6. When the Council may not make a DHP payment:**

Applications may be declined if one or more of the following apply:

- a. Eligibility criteria not met
- b. For HB claimants, the shortfall in HB is because of
  - deductions made from HB to recover a prior HB overpayment or
  - service charges that are ineligible for HB
- c. For UC claimants, the shortfall in UC is because of
  - deductions made from UC to recover a prior HB overpayment or
  - service charges that are ineligible for UC
- d. Exceptional need not evidenced
- e. Exceptional financial circumstances not evidenced
- f. Applicant has accessible capital/savings
- g. Applicant is a "person from abroad" who does not have entitlement to public funds
- h. For UC claimants DHP awards cannot exceed the difference between their eligible housing costs and their actual UC housing costs award.

## **7. Payment arrangements**

The scheme does not support cash payments.

For HB claimants, all payments made under this policy will be made in conjunction with on-going HB and this may include direct payment to the applicant's landlord or by direct payment to a prospective landlord for payments in respect of a rent deposit or rent in advance.

For UC claimants, subject to having the necessary IT functionality available:

- (a) payments for Derby City Council tenants will be credited directly to their rent accounts
- (b) payments for claimants with an Alternative Payment Plan in place will be made direct to the landlord.
- (c) in all other instances - including where IT functionality is not available to enable the arrangements in 6 (a) and (b) above - payments will be made direct to the claimant using BACS.

## **8. Disputed decisions**

DHPs are not subject to a formal appeals process by virtue that any decision to make a payment is of a discretionary nature.



Where an application is declined and a decision is disputed for a reason other than one relating to exclusions from the Scheme, an applicant or their representative may request a review.

All requests for reviews must:

- Be made by the applicant or their representative
- Be submitted as a written e-request
- Set out the reasons why they believe the decision should be reviewed
- Be made within **21 calendar days** of the original decision being notified.

The request will be reviewed by another officer who has delegated authority to make the decision. This reviewing officer's decision is final and binding and completes the internal review process.

## **9. Data Access and Sharing**

The Council is allowed to collect data to support, evidence and to determine DHP Awards.

The scheme will operate to support principles for fair, reasonable and confidential data access and sharing at all times. This is to ensure that people receive the correct benefits at the right time and that the wider interests of Council Taxpayers are safeguarded.

The Council is committed to meeting its obligations under the relevant legislation and requirements to safeguard public funds.

## **10. Evaluation and review**

This Policy will be controlled by Customer Management and will next be reviewed by 1st March 2016.