

## **DUNDEE CITY COUNCIL**

### **DISCRETIONARY HOUSING PAYMENT POLICY**

#### **Background**

Discretionary Housing Payments (DHPs) were introduced in July 2001. The general provisions for DHPs are contained in Regulation 2 to the Discretionary Financial Assistance Regulations 2001. These Regulations grant Local Authorities the power to administer the DHP scheme.

The Department for Work and Pensions (DWP) provide funding annually to Local Authorities (LAs) to assist those people claiming Housing Benefit (HB) who require further financial assistance with their housing costs and who meet the qualifying criteria as specified in this document. In addition, Local Authorities are permitted to spend their own funds, up to 1.5 times the DWP allocation however, LAs are not permitted to exceed this total.

The scheme is discretionary and there is no statutory right to a payment. Each application will be treated strictly on its own merits taking in to account any relevant information provided by the applicant and the amount that can be paid out by the Council in any financial year.

As a result, the Council considers that the DHP scheme should be seen as short term assistance.

#### **Policy Aims**

The purpose of this policy is to update the previous DHP policy to take into account the recent Local Housing Allowance (LHA) reforms, the forthcoming Welfare Reform changes and the effects these changes will have on the HB entitlement of the citizens of Dundee. The document details how the Council will operate the scheme and highlights some of the factors that will be considered in the DHP decision making process.

#### **Statement of Objectives**

All DHP applications will be considered on their individual merits and will be treated equally and fairly to promote the Council's objectives and seek through the operation of this policy to:

- Sustain tenancies and assist in preventing homelessness;
- Assist households to move in to more affordable accommodation;
- Support the vulnerable residents of Dundee;
- Assist people through periods of financial difficulties or crises;
- Assist to alleviate poverty and prevent hardship;
- Encourage Dundee residents to seek and sustain employment;
- Assist households through personal crises and difficult events.

In particular, whenever possible, the Council will support the following groups of people to remain in their current property:

- Disabled people living in adapted accommodation or where they reasonably require this additional space as a result of their disability;
- Foster and Kinship carers whose HB is reduced because of a bedroom(s) being used by, or kept free for, children in care.

#### **Claiming a DHP**

- A claim for a DHP must be made on a claim form approved and issued by the Council;

- The Council may request any reasonable evidence in support of an application for a DHP;
- If the requested evidence is not provided, the Council will still consider the application however, any unsubstantiated statements may be disregarded or the Council may draw its own conclusions from other evidence available.

### **Awarding a DHP**

Applications for a DHP can only be considered where:-

- The claimant is in receipt of HB during the period in question;
- There is a rental liability;
- The claimant requires further assistance with their housing costs; and
- There are sufficient funds within the DHP budget to allow payment.

### **DHPs can be made in respect of:-**

Examples of when a DHP can be awarded are (list not exhaustive):-

- Where HB has been reduced as a result of the Benefit Cap;
- Where HB has been reduced as a result of under occupation in the Social Rented Sector;
- Where HB has been reduced as a result of LHA restrictions, including where claimants are under 35 years of age and their LHA is restricted to the Single Room Rent Rate;
- Where there is a shortfall between HB entitlement and a person's contractual rent;
- Where assistance is required on medical grounds.

### **DHPs cannot be made in respect of:-**

Examples of when a DHP cannot be awarded are (list not exhaustive):-

- To help with Council Tax liability;
- Where deductions are being made from HB as a result of Income Support or Jobseekers Allowance sanctions;
- Where no rental liability exists;
- To cover ineligible service charges;
- Increases in rent due to outstanding rent arrears;
- Where HB has been reduced as a result of an anti-social behaviour sanction.

### **Period of Award**

The Council will decide the period for which a DHP will be awarded.

- No award of a DHP will be made outwith any benefit period granted under the HB statutory scheme;
- Awards of DHP will normally be for a period not exceeding 6 months, after which the individual will be invited to reapply;
- Any reasonable request for backdating a claim for a DHP will be considered.

### **The Amount of DHP award**

The level and period of award will be based on the individual circumstances of the applicant. In the case of a shortfall, the amount of DHP will not exceed the weekly eligible rent. One off payments may also be paid.

In considering a DHP claim, the following will be taken in to account (although the list is not exhaustive)

- The amount of HB in payment;
- The shortfall between HB and the eligible rent;
- The financial, social and medical circumstances of the claimant, partner or any other member of their household;
- Any savings or capital in excess of £3,000 that might be held by the claimant, partner or any member of their household;
- The level of indebtedness of the claimant and their family;
- Any exceptional circumstances associated with the claim;
- Whether any previous award(s) of DHP has been made; and if so the circumstances under which the award(s) was made;
- The availability of suitable alternative accommodation;
- The amount of money available within the Councils budget for any given year.

### **Payee and Method of Payment**

The Council will decide to whom a DHP award will be made, taking into account the circumstances under which the award was deemed appropriate. Payees may include any of the following:

- The claimant;
- Their partner;
- An appointee;
- Their landlord (or agent of landlord);
- Any third party whom it may be appropriate to make payment.

Any award of DHP will be paid by whichever means the Council deems appropriate including the following:

1. Along with each payment of HB;
2. By offsetting the DHP against any other debt or liability the claimant or partner has to the Council, thereby reducing their indebtedness and therefore their expenditure.

The Council will decide in each case whether the DHP should be paid in advance or in arrears.

### **Changes of circumstances**

Customers awarded a DHP must notify Dundee City Council of any change in their circumstances. The DHP may be revised due to this change.

### **Notification**

The Council will inform an individual of the outcome of their DHP application in writing. Where the application has been unsuccessful, notification will contain the reasons for the decision.

Where an award has been made, the notification letter will contain the following information:

- The weekly amount of DHP award;
- The period of the award;
- How, when and to whom it will be paid;
- A summary of the reasons for award;
- A requirement to notify of any change of circumstances which may have an affect on the DHP award.

All notification letters will include information about what to do if an individual disagrees with a DHP decision.

## **DHP Review Process**

DHPs are not payments of HB and are therefore not subject to the statutory benefit appeals mechanism, whereby disputes are decided by the independent statutory body of the Tribunal Service. Disputes will therefore be decided by the Council.

The Council will operate the following policy of dealing with disputes about DHPs:-

- A claimant (or their representative, etc.) who wants a further explanation of a DHP decision may request this in writing within 28 days of receipt of the decision;
- The claimant (or representative, etc.) may ask for a review of the decision within 28 days of receipt of the decision notice.

A dispute will be subject to review by a Senior Council Officer who has had no involvement in the original decision. The claimant (or representative, etc.) will be notified in writing of the outcome of the review. Further information in support of the review may be requested from the claimant or any other relevant source.

## **Overpayments**

The Council will seek to recover DHPs found to be overpaid. This will be carried out by invoicing the *recipient*. A DHP overpayment will not be recovered where the Council made the award in error. A decision letter will be issued to the claimant (or representative etc.) to notify of any overpayment. A request for a review may be made against the decision. Requests for reviews relating to overpayments of DHPs will follow the DHP Review process as previously detailed.

## **Publicity**

A leaflet providing information on the DHP scheme has been designed and will be available on the Council's website along with an application form. Staff are aware of the scheme and are encouraged to proactively advise and assist those people in need of further financial assistance with their housing costs to make an application for a DHP.

## **Monitoring**

Details in respect of all DHP applications will be recorded, including information on applications which have been refused. An on-going monitor of DHP expenditure will be maintained to ensure that expenditure does not exceed the prescribed overall permitted total.

## **Fraud**

Dundee City Council is committed to fighting fraud. Where an anomaly in HB entitlement is identified during the DHP decision making process and suspicions are raised in respect of the applicant's on-going entitlement to HB, details will be forwarded onto the Council's Benefit Counter Fraud Team. Any such cases will be investigated and the appropriate action taken, including the matter being referred to the Procurator Fiscal.