

## Chichester District Council

### Discretionary Housing Payments Policy

This document sets out the Policy of Chichester District Council regarding the award of Discretionary Housing Payments (DHP) for residents of the District in receipt of Housing Benefit (HB) or Universal Credit (UC).

#### 1. Background and Purpose

The Child Support, Pensions and Social Security Act 2000 provides for local authorities to make DHP awards to residents in receipt of HB. The Regulations covering DHP's are the Discretionary Financial Assistance Regulations 2001 which have been updated to cover the introduction of UC and the abolition of Council Tax Benefit from 2013.

The DHP scheme provides limited funding to support customers facing hardship in situations where the normal HB or UC award does not cover in full their housing costs. For customers in receipt of UC the award must contain the housing element towards a rental liability in order to be considered eligible for DHP support. It is normally used to top up shortfalls in the rent and is paid as a weekly amount to supplement HB or UC, but it can also be paid as a one off payment, especially where awarded to support one off housing costs.

The overall purpose of the scheme is to reduce the risk of homelessness and support the stability of families in line with the Council's aims to build sustainable communities and protect the most vulnerable in society. It aims to enable people to secure or retain appropriate and sustainable accommodation through temporary difficulties or unusual circumstances that are not supported by the benefits system.

Since its creation, the Council has used the funding to make short term awards which allow customers time to seek resolution to any particular difficulties they are facing in relation to meeting their housing costs.

Various welfare reforms such as the introduction of the Benefit Cap and the Social Sector Size Criteria (SSSC) rules have impacted on the DHP budget. It is anticipated that this is a trend that will continue, particularly with the introduction of UC. Such increases in expenditure have been mitigated in part by additional funding from the Department for Work and Pensions (DWP). However there are no guarantees for the level of funding received therefore Chichester District Council needs to make annual financial plans in order to ensure that those residents who are financially vulnerable continue to receive support under the scheme.

All applications for DHP will be considered with regard to this policy statement as well as the Discretionary Housing Payments guide provided by the DWP.

## 2. Basic eligibility criteria

It is not possible to prescribe the circumstances that will result in the award of a DHP as each case is likely to be unique and should be considered on its merit, taking into account any relevant information provided by the customer. However the customer does need to meet the following criteria:

- Have a rental liability
- Require assistance with housing costs

## 3. Exemptions from DHP

There are certain elements of an applicant's rent that cannot be included in housing costs for the purpose of DHP. These are:

- Ineligible service charges
- Increases in rent due to outstanding rent arrears
- Housing benefit that has been suspended
- Certain sanctions and reductions in benefit

Further explanation of these can be found in the DWP guide.

[Discretionary Housing Payments Guidance Manual](#)

## 4. Applying for a DHP

The DHP scheme will be brought to the attention of customers with a shortfall in their rent. Claims will be made online. For customers with difficulty making claims online support will be given either in the Council's offices, over the telephone or in the customers home.

## 5. Considerations in awarding a DHP

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

- The shortfall between HB or UC and the rental liability
- Any steps taken by the applicant to reduce their rental liability
- The financial and medical circumstances of the claimant, their partner, any dependants and any other occupants of their home
- The income and expenditure of the claimant, their partner, any dependants or other occupants of the claimants home
- Any savings or capital that might be held by the claimant or their family
- The level of debt held by the claimant and their family
- The nature of the claimant and their family's circumstances
- The amount available in the DHP budget at the time of application

- The possible impact on the Council of not making such an award e.g. the pressure on priority homelessness accommodation
- Any other special circumstances brought to the attention of the Council

## **6. Awards**

DHP's should not undermine the purpose and nature of the HB or UC scheme nor should they support irresponsible behaviour. The Council expects awards to be made only in unusual or extreme circumstances where additional help will have the significant effect in alleviating hardship and reducing the risk of homelessness.

In general, the Council will give a higher priority to assisting people, particularly families with children of school age (to ensure stability in education), to retain an established home. Low priority will be given to assisting people who take on housing costs which because of the nature, location or price of the property are unaffordable and unsustainable from the start.

## **7. Prioritisation of awards due to welfare reform**

Welfare reform changes will generally continue to increase the demand on DHP expenditure. Some priority will be given to some of the most vulnerable customer base including:

Social sector tenants affected by the social sector size criteria (SSSC) rules who live in properties that have been substantially adapted to meet the needs arising from severe disabilities and to aid independent life. It may be perverse and uneconomic to expect people to move in these circumstances given it would generate greater costs of adapting an alternative home.

Short term support for families affected by the Benefit Cap that was introduced in the summer of 2013, and extended in November 2016. Failure to do so could result in the Council funding emergency temporary accommodation for families costing far in excess of the cost of short term support. It is the aim to support these families to find a way to avoid the Cap i.e. by securing employment or applying for additional benefits that exempt them from the Cap in the longer term.

UC rolled out full live service across the District from July 2018. It is the Council's aim to support those that are most vulnerable in its communities in adapting to this change. Some research has shown that some individuals and families will be worse off in comparison to the support that existed under legacy benefits. Therefore an award of DHP could be used to for a short period in these circumstances to ease the transition into UC. This can include situations where UC does not offer the same level of support i.e. where a claimant moves address and has an unavoidable dual liability. However this would only be where the basic eligibility criteria is met, it is not intended to alleviate hardship created as a result of delays in the award of UC.

## **8. Period of award**

Generally awards will be short term, on average for a period of 12 weeks. However longer awards may be given in exceptional circumstance. The policy intention of DHP's is to provide short term support to alleviate financial hardship enabling the applicant to take steps to improve their circumstances in the longer term. However it is acknowledged that some individuals will have circumstances that require longer term awards, particularly where there is no prospect of a short term improvement to an individual's or family's circumstances or where mental health is exacerbated by the repeated application process.

## **9. Making payments**

The DHP will be added to the HB payment and paid in the same cycle as the award of HB, in most circumstances this is four weekly in arrears. For UC customers payments will be made monthly in arrears by BACS transfer, or by a frequency that is most appropriate in the circumstances.

Where an application towards one off housing costs is made e.g. for a rent deposit or removal costs a one off payment will be made. These awards will generally be made direct to a landlord or to a third party, such as a removal company. However in exceptional circumstances payment may be made direct to a customer.

## **10. Notification of award**

The benefits service will inform the customer in writing of the outcome of their application. Where the application is unsuccessful, the decision maker will set out the reasons why it has been refused and detail the right of review. Where the application is successful the notification will advise:

- The weekly amount of DHP awarded
- The period of the award
- How, when and to whom the award will be made
- The duty to report a change in circumstance
- Any conditions attached to the award, such as demonstrating that steps have been taken to secure alternative accommodation. If these conditions are not met a further application for an award may be refused.

## **11. Change of circumstances**

The Council may need to revise an award of DHP where the claimant's circumstances have changed. If a change in circumstance results in a revision of an award the customer will be notified in writing as specified in section 10 of the policy.

## **12. Overpayments**

If there is an overpayment of a DHP the Council will decide whether it is appropriate to seek recovery. Recovery may be made from any future award, or by raising an invoice for payment. Where an overpayment has occurred the customer will be notified in writing detailing the reason for the overpayment, the amount and how the Council intends to recover the amount.

## **13. Right of review**

There are no formal rights of appeal against decisions made in relation to DHP's. However where a request for a review is made consideration will be given as to whether the decision is correct, who carries out this review depends on whether the customer presents new facts.

Where new evidence or new facts are provided there is no requirement for a different officer to review the decision. However where no new facts are presented the decision will be reviewed by a different decision making officer. In either case the customer will be advised of the outcome of the review in writing, where unsuccessful explaining the reasons for the decision. If a further dispute is made the matter will be further reviewed by a senior Manager within the Revenues division. If the decision remains unchanged at this stage a letter explaining the decision will be issued. This letter will also explain that Judicial Review proceedings are the only further remedy, and direct the customer to seek advice from a third party (usually Citizens Advice Bureau) in this respect.

## **14. Fraud**

Where the Council believe that a customer has obtained an award of DHP by making a dishonest representation it may consider further action in accordance with the Fraud Act 2006.

## **15. References**

[Discretionary Housing Payments Guidance Manual](#)

## **16. Contact**

[benefits@chichester.gov.uk](mailto:benefits@chichester.gov.uk)

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