



Bromsgrove
District Council

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Awarding Discretionary Housing Payments (DHP's)

Revenues and Benefits Section

Financial Services



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AWARDING DISCRETIONARY HOUSING PAYMENTS (DHP's)

Background

On 2 July 2001 a new scheme was introduced which granted all Local Authorities new powers to make a discretionary award to top up the Housing and Council Tax Benefits statutory schemes. The legislation governing DHP's can be found in the Discretionary Financial Assistance Regulations 2001 (S1 001 / 1167).

The intention was to replace the old scheme of exceptional circumstance and hardship payments, where payments were only made in "exceptional" circumstances with a much more widely available scheme to help with Housing costs, where Housing and Council Tax benefit payments under the statutory scheme were insufficient.

A DHP is available to every claimant, who has a shortfall between their rental liability and payment of Housing Benefit and/or a shortfall between Council Tax liability and entitlement to Council Tax Benefit, providing they are in receipt of a minimum amount of the relevant benefit.

However a DHP cannot be used to pay ineligible service charges, to decrease Council Tax liability when only Second Adult rebate is payable, to minimise the effect of Job Seeker Plus sanctions, to make payment when HB/CTB are suspended or when a claimant does not have a minimum entitlement to that benefit. For instance, if HB only is payable the claimant would have no entitlement to a DHP to help with their Council Tax liability and vice versa.

The main features of the scheme are:

- It is purely discretionary;
- A customer does not have a statutory right to a payment;
- The amount that can be paid out by an Authority in any financial year is cash-limited by the Secretary of State and may be reduced in subsequent years if it is not spent;
- The administration of the scheme is for the Benefits Service to determine (with a few specific exceptions);

The Benefit Service Policy

Purpose

The purpose of this policy is to specify how the Benefits Service will operate the scheme and to indicate some of the factors that will be considered when deciding if a DHP can be awarded. Each case will be treated strictly on its merits and all customers will be treated equally and fairly when the scheme is administered. The Benefits Service is committed to working with the local voluntary sector, social landlords and other interested parties in the District to maximise entitlement to all available state benefits and this will be reflected in the

administration of the DHP scheme. Where the evidence provided in support of a DHP indicates that the customer is not claiming another state benefit they may be entitled to, the Benefits Service will advise them to make such a claim and provide details of other agencies in the District who may be able to help with such a claim.

Statement of objectives

The Benefits Service will consider making a payment of a DHP to all customers who meet the qualifying criteria specified in this policy. The Benefits Service will treat all applications on their individual merits, and will seek through the operation of this policy to:

- Alleviate poverty;
- Support safeguarded young people in the transition to adult life;
- Encourage local residents to obtain and sustain employment;
- Safeguard local residents in their homes;
- Help those who are trying to help themselves;
- Keep families together;
- Support the safeguarded in the local community;
- Help customers through personal crises and difficult events.

The Benefits Service considers that the DHP scheme should be seen as a short time emergency fund. It is not and should not be considered as a way around any current or future entitlement restrictions set out within the Housing and Council Tax Benefit legislation.

Claiming a DHP

A claim for a DHP must be made in writing and signed by the customer. A letter or signed statement made at a designated office will be deemed as sufficient.

On request or in appropriate circumstances, the Benefits Service will issue the customer with a special DHP application form. This will be date stamped and will count as the date of claim.

The customer will be required to return the form to a designated office within one month of its issue and will be encouraged to include any relevant supporting evidence.

The Benefits Service may request any (reasonable) evidence in support of an application for a DHP. Such requests will normally be made in writing. The customer will be asked to provide the evidence within one month of such a request although this will be extended in appropriate circumstances.

The Benefits Service reserves the right to verify any information or evidence provided by the customer in appropriate circumstances.

If the customer is unable to or does not provide the required evidence, the Benefits Service will still consider the application and will take into account any other available evidence including that held on the Housing Benefit file.

Period of award

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

The start date of an award will normally be:

The Monday after the written claim for a DHP is received by the Benefits Service; or the date on which entitlement to HB/CTB commenced (providing the application for DHP is received within one calendar month of the claim for HB/CTB being decided) whichever is the earlier, or the most appropriate.

The minimum period for which the Benefits Service will award a DHP is one week.

An award will usually be for not less than 3 months.

The Benefits Service will not normally award a DHP for a period exceeding 12 months.

Any reasonable request for backdating an award of a DHP will be considered but such consideration will usually be limited to the current financial year. A DHP cannot be awarded for any period outside an existing HB/CTB benefit period granted under the HB/CTB statutory scheme.

Awarding a DHP

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

- The shortfall between Housing and Council Tax Benefit and the liability;
- Any steps taken by the customer to reduce their rental or Council Tax liability;
- The financial and medical circumstances (including ill health and disabilities) of the customer, their partner and any other members of their household including dependants and any other occupants of the customer's home;
- The income and expenditure of the customer, their partner and any other members of their household including any dependants or other occupants of the customer's home;
- Any savings or capital that might be held by the customer or their family;
- The level of indebtedness of the customer and their family;
- The exceptional nature of the customer and their family's circumstances, bearing in mind there is no need to show that the circumstances are exceptional before awarding a DHP;
- The amount available in the DHP budget at the time of the application;
- The possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation;
- Any other special circumstances brought to the attention of the Benefits Service.

The Benefits Service will decide how much to award based on all of the circumstances. This may be an amount below the difference between the liability and the payment of Housing Benefit and/or Council Tax Benefit.

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

Changes of Circumstances

The Benefits Service may need to revise an award of a DHP where the customer's circumstances have materially changed.

Overpayments

The Benefits Service 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. It is most unlikely that recovery of any overpayment caused by an "official error" will be sought. Under no circumstances will recovery be made from any amounts of Housing and/or Council Tax Benefit due to the customer (except if the customer requests this method of recovery specifically in writing). The decision letter that notifies an overpayment decision will also set out the right of review.

The right to seek a Review

DHP's are not payments of Housing or Council Tax Benefits and are therefore not subject to the statutory appeals mechanism. However, all Councils are expected to set up an appropriate review process.

The Benefits Service will operate the following policy for dealing with requests to review a decision not to award a DHP, a decision to award a reduced or lesser amount of DHP, a decision not to backdate a DHP or a decision that there has been an overpayment of a DHP.

A customer (or their appointee or agent) who disagrees with a DHP decision may dispute the decision. A request for a review shall be delivered in writing to a designated office within one calendar month of the written DHP decision being issued to the customer. The first step is for an Officer from the Benefits Service to explain the DHP decision to the customer by telephone, at interview or in writing and to seek to resolve the matter.

Where agreement cannot be reached, a Senior Benefits Officer will consider the case, review all the evidence held and will make a decision within 14 days of referral or as soon as practicable.

Where the Senior Benefits Officer decides not to revise the original decision, he/she will notify the customer of their decision in writing, setting out the reasons for their decision.

Where the customer is still not satisfied, they will be entitled to a further and final review, provided this is requested in writing within one calendar month of the date on the decision letter sent by the Senior Benefits Officer. A person who is completely independent of the Benefits Service will carry out this review.

An Independent Officer (a member of the Council's Corporate Complaints Team or similar) will conduct this further review. The Independent Officer will have the right to access all information held by the Benefits Service and to interview Officers from the Benefits Service involved in the decision making process. The decision made by the Independent Officer will be notified in writing to both the Benefits Service and to the customer. Their decision will be final and binding and may only be challenged via the judicial review process or by complaint to the Local Government Ombudsman.

The Senior Benefits Officer or Independent Officer may extend the time periods for a review in exceptional circumstances. In deciding to extend, they will take into account the financial difficulties in making an award for a previous financial year and any delay in seeking independent advice that was outside the control of the customer.

Unless a change in circumstances has occurred, the Officer dealing with the review may not recommend a reduction in an award already notified.

Publicity

The Benefits Service will publicise the scheme and will work with all interested parties to achieve this. A copy of this policy statement will be made available for inspection and will be posted on the Council's web site. Information about the amount spent will not normally be made available except at the end of the financial year.

Method of Payment

The Benefits Service will decide the most appropriate person to pay based upon the circumstances of each case. This could include paying:

- The customer;
- Their partner;
- An appointee;
- Their landlord (or an agent of the landlord); or
- Any third party to whom it might be most appropriate to make payment.

The Benefits Service will pay an award of DHP by the most appropriate means available in each case. This could include payment:

- by cheque or electronic transfer (e.g. BACS)
- by crediting the customer's Council Tax and / or rent accounts;

Payment frequency will normally be made in line with the Housing Benefit and/or Council Tax Benefit award.

Notification

The Benefits Service will inform the customer in writing of the outcome of their application within 14 days of receipt. Where the application is unsuccessful, the Benefits Service will set out the reasons why this decision was made and explain the right of review. Where the application is successful, the Benefits Service will advise:

- The weekly amount of DHP awarded;
- Whether it is paid in advance or in arrears;
- The period of the award;
- How, when and to whom the award will be paid;
- The requirement to report a change in circumstances;

Fraud

The Benefit Service and Fraud Service are committed to the fight against fraud in all its forms. A customer 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 appropriate legislation. Where the Fraud 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.