

Newark & Sherwood District Council Discretionary Housing Payment Guidance

1. Introduction

1.1 Newark & Sherwood District Council administers Discretionary Housing Payments (DHP) on behalf of the Department for Work and Pensions (DWP). The Council receives an annual financial allocation from DWP and can make additional awards above this allocation to a maximum permitted total. The regulations covering DHP's are The Discretionary Financial Assistance Regulations 2001.

1.2 At present those in receipt of Housing and/or Council Tax Benefit who require further financial assistance are eligible to apply for a DHP. From April 2013 Council Tax Benefit will be abolished and replaced by a local Council Tax Support Scheme. Following this change DHP's will no longer be available for Council Tax liability.

1.3 From April 2013 as part of Welfare Reform, social sector housing tenants who are deemed to have more bedrooms than they need will see their HB reduced by 14% if they have one bedroom more than required and 25% for two or more bedrooms. In addition tenants whose income from applicable state benefits exceeds the Benefit Cap limit may also have their HB reduced until their income from those benefits does not exceed the cap.

1.4 The DWP have indicated that DHP will be aimed at reducing the financial risk for households where Welfare Reform will reduce the household's income. From April 2013 awards under this guidance may address:

- Reductions in HB or Universal Credit (UC) where the benefit cap has been applied
- Reductions in HB or UC for under-occupation in the social rented sector in particular disabled people living in a property that has been substantially adapted
- Reductions in HB or UC as a result of Local Housing Allowance (LHA) restrictions
- Rent shortfall to prevent a household becoming homeless whilst Housing Options explores alternative options
- Rent Officer restrictions such as local reference rents or shared room rate
- Deposits and Rent in Advance for moving
- Non dependent deductions
- The effect of income tapers

1.5 Every claimant who has an entitlement to HB or UC and requires further financial assistance with housing costs will be eligible to make a claim for DHP.

1.6 This is a discretionary scheme. All applications for a DHP will be considered on an individual basis taking into account the households circumstances. The Council will consider the way in which DHP funding can be allocated in a way that supports those most in need of assistance.

1.7 DWP will introduce a new monitoring regime and Council's will need to record the reasons for a DHP award under the following categories:

- To support a tenant affected by the benefit cap
- To support a tenant affected by under occupancy
- To support a tenant affected by LHA reforms
- Any other reason

1.8 The amount of Government funding for DHP will not compensate for the loss of benefit income to tenants in Newark & Sherwood.

2. The Guide

2.1 The purpose of this guide is to specify how Newark & Sherwood District Council will operate the scheme and to indicate some of the factors that will be considered when deciding if a DHP can be awarded. The Council expects to receive a significantly increased number of applications for DHP as a result of Welfare Reform. Due to the limited DHP funding available it is not possible to help everyone who applies.

2.2 The Council will consider making a DHP award to all claimants who meet the qualifying criteria as specified in this guide. Each application will be treated on its own merits with support being prioritised to:

- Disabled people living in significantly adapted accommodation
- Prevent homelessness
- Tenants affected by the Welfare Reform changes

2.3 DWP has increased the national DHP budget to reflect the likely increased demand due to Welfare Reform. DWP recommends that support is targeted at those residents who are likely to be affected by changes to benefits in particular disabled people living in significantly adapted accommodation.

2.4. Any DHP allocation that is not spent within the financial year must be repaid to DWP.

2.5 The Council can make additional awards in excess of the Government allocation but cannot exceed the permitted total (2.5 times the Government allocation). Any DHP granted in excess of the Government allocation will fall as an expense on the General Fund.

Eligibility criteria

2.6 In order to be eligible for a DHP the claimant must:

- Be in receipt of HB or UC and
- Have a rental liability and
- Require further financial assistance with housing costs

There is no definition of the phrase 'further financial assistance' in law. It is up to the Council to interpret it.

2.7 Applicants for DHP will be required to demonstrate the need for assistance with evidence of income and expenditure.

2.8 The decision maker will take into account all of the claimants circumstances when deciding if they qualify for a DHP. These circumstances may include:

- The tenancy – Will the award of DHP allow the tenant to sustain the tenancy, find alternative accommodation or negotiate a lower rent
- The claimants financial circumstances – Does the claimant have debts, capital or income
- Medical circumstances – is the choice of housing restricted due to a medical condition, access to medical services or are there significant health related issues
- Other circumstances – fleeing domestic violence, employment, caring responsibilities, care leavers

2.9 What DHP can cover

- 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 in particular disabled people living in a property that has been substantially adapted
- Reductions in HB or UC as a result of Local Housing Allowance (LHA) restrictions
- Rent shortfall to prevent a household becoming homeless whilst Housing Options explores alternative options
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2.10 What DHP can't cover

- Council Tax payments
- Ineligible charges
- Increases in rent due to outstanding rent arrears
- Sanctions and reductions in benefit
- Benefit suspensions
- Shortfalls caused by HB overpayment recovery

Claiming a DHP

2.11 The regulations require a DHP to be claimed. The Council accepts requests for DHP in writing (DHP application form) or electronically.

2.12 Claims can be made by the person entitled to HB or UC or someone acting with consent on their behalf such as an appointee, representative or advocate.

2.13 The Council will consider paying a DHP to someone other than the claimant if it is considered appropriate to do so

Period of award

2.14 DHP can be awarded for a minimum period of 1 week. Whilst there is no maximum period an award will not normally exceed 12 months.

2.15 Indefinite awards may be made in certain circumstances for example; disabled people who are under occupying where the property has been substantially adapted and where moving would incur costs to adapt another.

2.16 DHP is not intended to be used as a long term solution to the claimant's financial situation

Notification

2.17 The Council will inform the claimant in writing of the outcome of their application within 21 days of receipt of all information or as soon as practicable.

2.18 When a decision has been made on an award the claimant will receive the following information:

- Reasons for an award
- Amount of award
- Start and end date of award
- Review rights
- Information on who to contact for further advice

Review rights

2.19 DHP is not an award of HB and is not therefore subject to appeal to the Tribunal Service. The Council will review a refusal to award a DHP or to award a reduced amount of DHP.

2.20 Requests for reviews must be made in writing to the Benefits Section within one calendar month of the written notification being sent to the claimant.

2.21 Reviews will be considered by the DHP Panel made up of 3 officers from Revenues & Benefits and Housing Options.

Overpayments

2.22 The Council will consider recovery action on any DHP found to be overpaid. Normally this will be by issuing an invoice to the claimant or the person to whom the award was paid.

Fraudulent claims

2.23 Newark & Sherwood District Council is committed to identifying and investigating suspected fraudulent claims to benefit and DHP. Individuals who falsely declare their circumstances in order to claim DHP will have committed a criminal offence which may lead to criminal proceedings being instigated.

Change of circumstances

2.24 Claimants receiving DHP have a duty to notify the Council of any changes of circumstances which may be relevant to their continuing entitlement to DHP. The Council may revise an award of DHP to take account of a change in circumstances.

Stopping payments

2.25 The Council can decide to stop a DHP where:

- The award period has ended
- There has been a relevant change in the claimants circumstances
- Where payment has been made in error
- If the Council decides that someone has misrepresented or failed to disclose a material fact fraudulently or otherwise

Reporting

2.26 On a quarterly basis Pentana Performance will be updated to report:

- The number of DHP applications approved
- The number of DHP applications rejected
- The total value of DHP spend
- The total value of DHP committed

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