

POWYS COUNTY COUNCIL

DISCRETIONARY HOUSING PAYMENT POLICY

*FROM 1st APRIL 2013 to
31st MARCH 2014*

Status	Policy
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POWYS COUNTY COUNCIL

DISCRETIONARY HOUSING PAYMENT POLICY

From April 2013

Introduction

Purpose of this guidance.

This guidance sets out the Council's policy with regard to Discretionary Housing Payments with effect from April 2013. The guidance offers advice on how DHP's can be used to provide support to customers in general and those affected by the welfare reforms.

The guidance is updated to reflect amendments to the Discretionary Financial Assistance Regulations which ensure the scheme covers the introduction of Universal Credit and the abolition of Council Tax Benefit from April 2013.

What are Discretionary Housing Payments?

DHP's provide customers with further financial assistance, in addition to any welfare benefits, when a LA considers that help with housing costs is required.

Although this guidance gives very broad advice on how DHP's can be used to provide support to customers, decisions must be made on the basis of individual circumstances and those decisions have a duty to be fair, reasonable and consistent.

Decision making on DHP's must not be influenced by the amount of money funded for the scheme however a LA will be breaking the law if expenditure goes over two and half times the amount allocated by the DWP.

Any funding left over at year end will be returned to the DWP.

What do we mean by Housing Costs?

Housing costs are not defined in the regulations. However, housing costs can be interpreted to include

- Rental liability
- Rent in advance
- Deposits
- Other lump sum costs associated with a housing need such as removal costs.

Customers are not expected or asked to refund any payments made under the DHP scheme other than for payments which are later found to be overpayments.

What types of shortfalls can DHPs cover?

These can include:

- Reductions in HB or UC where the benefit cap has been applied
- Reductions in HB or UC for under occupation (bedroom tax) in the social rented sector
- Reductions in HB or UC as result of local housing allowance restrictions.
- Rent shortfall to prevent a household becoming homeless whilst the housing authority explores alternative options
- Rent officer restrictions such as local reference rent or shared room rate
- Non-dependant deductions
- Income tapers

What DHP cannot cover?

Excluded elements are:

- Ineligible service charges e.g. water charges, sewerage, environmental services
- Increases in rent due to outstanding rent arrears
- Sanctions and reductions in benefit e.g. benefit overpayment recovery

The claims process

The regulations require that there must be a claim for DHP before the LA can consider making an award.

Who can claim DHPs

There must be an entitlement to Housing Benefit or Universal Credit (rental cost element) for any week that the DHP is considered.

In most cases, the person who claims a DHP will be the person entitled to HB or UC. However claims can also be accepted from someone acting on behalf of the person concerned, such as an appointee or advocate if the person is vulnerable and needs support.

Criteria/Objectives for Award

All claims where there is a shortfall in the housing costs will be considered for a DHP. However there must be exceptional circumstances in the individual case for the claim to succeed. Exceptional is not defined but it is considered to mean a situation/set of circumstances that is not the “norm” such as financial hardship or

health issues. One off payments such as rent in advance, deposits and removal costs will only be made in very exceptional circumstances and where there is absolutely no feasible alternative to alleviate the problem.

The circumstances generally must be short term. Short term is not defined but is considered to be not on going or permanent. If there is no potential better outcome or alleviation of the problem then the DHP should not be awarded.

In very exceptional circumstances a DHP may be considered on a long term basis. This will only occur in very exceptional cases where a move from the present home is impracticable because of extreme personal circumstances e.g. where considerable adaptations have been made to the home because of severe health problems and to move the claimant would not only incur vast expense to other services within the council but also be detrimental to the claimants health.

Where possible the Benefits Service will follow DWP guidance on DHPs unless it conflicts with its own interpretation of regulations or local policy. Powys Benefit Services will also continue to make any decision on any DHP claim based on its own merits

Criteria for Calculating the Maximum Amount Payable.

The maximum weekly amount of DHP allowable will be the shortfall between the weekly eligible rental liability and the Housing Benefit or Universal Credit (rental cost element) entitlement.

The maximum total amount allowable will be the weekly DHP x the number of weeks allowable within the claim.

Any one off award such as rent in advance is not restricted to the measure of any other maximum amount allowable.

Any mitigations (reductions) or conditions may be attached to any award of DHP.

Mitigation (reduction) and conditions of the award.

In deciding what amount to award, the Benefits Service will look for any issues or items to mitigate (or reduce) against the DHP award. Examples are:

- A complete income and expenditure review will be undertaken. All income (including any disregarded income) and capital (including from any sources that could be applied for) will be taken into account, along with all expenditure that is considered excessive or unnecessary. If excess income and capital are identified, this will be used to reduce the DHP award.

- If the claimant has applied for a DHP before and an award was made on a conditional basis or was given as a one off, then a second award may be refused unless new evidence is provided.

Who you can pay.

- DHPs may be paid to someone other than the customer if you consider it reasonable to do so.

DHPs Notifications

The applicant shall be provided with written notification of any decision made in respect of their DHPs claim as soon as is reasonably practicable.

DHPs Disputes & Appeals

There is no right of appeal to the Social Security Tribunal and consequently it is up to the Local Authority to decide on a process of review.

All claims for DHP will be processed by any one of 3 benefits team leaders and then all cases will be passed to a senior benefits officer to ensure fairness and consistency of decision.

Any request for a review of a decision will be passed to another senior benefits officer, who was not involved in the original decision making process, to consider whether the award or refusal of the DHP was correct. This will be the final stage of the review process.

Change of Circumstances & Overpayments.

The claimant has a duty to notify the council of all change of circumstances which may affect their continuing entitlement to DHPs. If a DHP is overpaid for any reason then the full amount of the overpayment will be recovered. However, in accordance with the DWP guidance, recovery cannot be made from any on-going payment of welfare benefits and so recovery will be made through invoicing the claimant.

Assurance and Monitoring Arrangements.

The DWP funding for 2013/14 has been significantly increased in anticipation of an increase in claims as a result of the welfare reforms. DWP requires LA's to submit a DHP claim form providing details of DHP expenditure. This request occurs twice a year – 1 September and 30 April. The claim form must be signed by the Responsible Finance Officer within the LA (151 officer).

In addition to providing details of DHP expenditure, the Responsible Finance Officer must certify that all entries on the claim form are accurate and expenditure has been

made in accordance with the current DWP guidance and the regulations governing DHPs.

Although LA`s have a large degree of discretion, we should be aware of the purpose of the increased funding when considering applications for DHPs. The allocation of the increased funding has been agreed following consultation with local authority associations and the distribution formula is intended, as far as possible, to target resources according to need within each local authority.

Therefore we need to monitor expenditure and record the main reason for each award, as detailed below.

- 1) To support customer affected by benefit cap (£75m)
- 2) To support customer affected by social sector size criteria (£30m)
- 3) To support customer affected by LHA reforms (£40m)
- 4) Any other reason (covers original £20m funding)

Total Funding for 2013/14 £165m

The total allocated to Powys County Council was not broken down but the above figures will give guidance of how the £154,975 we have been allocated for 2013/14 should, where possible, be spent.

The details of the awards, as set out above, will be recorded on a spread sheet. In addition a further spread sheet will be kept to record all DHP`s refused showing the main reason/category. This is needed to record the full impact, by category, of the welfare reforms.