



Leicester
City Council

Revenues & Benefits Service

DISCRETIONARY HOUSING PAYMENTS 2015/18

Name:	The Leicester City Council Discretionary Housing Payment Policy
Date:	27th March 2015
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Release/Version:	Draft V2.2

Approvals

This document forms part of the Leicester City Discretionary Hardship Scheme. The following people are points of contact for the scheme and are the point of contact for the approval of the scheme within the authority

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This document has been distributed to:

Name	Title	Date	Version
LALAT-	Chief Accountants group		
WRPG	Welfare Reform Practitioners Group		
	Housing Director		

Revision History

Version	Date	Summary of Changes
1.0	25.10.2012	First issue.
1.2	13/11/2012	Service revision
1.3	28/11/12	Finance revision
1.4	30/03/2014	
2.1	27/03/2015	
2.2	05/06/2015	

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1.0 Introduction/background

1.1 Discretionary Housing Payments (DHP) introduced on 2nd July 2001 provide further financial assistance for people who need help with their housing costs. This document sets out the policy, practice and procedure applying to awards of DHPs by Leicester City Council (“the City Council”).

1.2 Detailed provision for the payment of DHPs is contained in The Discretionary Financial Assistance Regulations 2001 (SI 2001/1167) as amended. When deciding whether to award DHPs, the City Council will take into account guidance issued by central government; the current guidance is The Discretionary Housing Payment Good Practice Guide Draft for April 2013 issued by the Department for Work and Pensions in August 2012. This was issued because of the changes due to welfare reforms, in particular:

- The introduction of benefit cap
- The introduction of size criteria in social rented sector; and
- Reductions in local housing allowance

1.4 The council is awarded an annual government contribution to make payments in addition to benefit entitlement. This is subject to an overall cash limit; any payments above the contribution have to be financed by the council. Any part of the contribution that remains unspent has to be returned to the DWP. The high volume of welfare reforms taking place has led to a significant increase in the amount of monies available for DHP applications by the government (see table 3.4). The allocation for Leicester over the past three years is as follows:

- 2013/14 £813,252
- 2014/15 £828,553
- 2015/16 £681,863

DHP funding is derived for a number of purposes:

DHP funding for Leicester	2013/14	2014/15	2015/16
Baseline funding	£ 243,975.60	£ 248,565.90	£ £81,823.56
LHA reforms	£ 65,060.16	£ 66,284.24	£ £136,372.60
Size Criteria	£341,565.84	£ 165,710.60	£ £327,294.24
Benefit Cap	£162,650.40	£ 347,992.26	£ £136,372.60
DHP funding (govt. contribution)	£ £813,252	£828,553	£ £681,863

2.0 The policy objectives

2.1 DHP's provide people with further financial assistance when a council considers that help with housing costs is needed. This could be a top up against the shortfall in housing benefit or Universal Credit housing costs. The legislation provides a very broad discretion; decisions are made in accordance with ordinary principles about good decision making; these include administrative law, in particular to act fairly, reasonably and consistently.

Each case will be assessed on its merits and all customers will be treated equally and fairly. The policy principles are detailed in appendix A.

2.2 The Revenues & Benefits Service is committed to working with the local voluntary sector through the Housing and Support Advice Partnership Board, internal partners such as Housing Options, STAR team and Welfare Rights.

2.3 Information about DHPs is published on the City Council's web site (www.leicester.gov.uk) and in other formats, including leaflets

2.4 Awards of DHPs are administered by the City Council's Revenues and Benefits Department.

3.0 Policy definition

3.1 Discretionary Housing payments may be made for a fixed period or an indefinite period dependent upon the personal circumstances of the applicant. Payment is made where the claimant's income is insufficient to meet their living costs and so pay their housing costs. Applicable housing costs in respect of Housing Benefit claimants are rent, and both rent and mortgage liabilities for Universal Credit claimants.

Payment will be considered in any of the following circumstances where shortfalls in rent exist; and is subject to certain exclusions (see paragraph 3.4 below), the City Council has a wide discretion as to the type of financial assistance it can provide. It may, for instance:

- Top up a payment of rent to maintain a tenancy for a limited period while the household seek cheaper alternative more suitable accommodation;
- Top up a payment of rent where a claimant's choice of accommodation was caused by urgent need, significant health problems or disability. Payments of this nature maybe deemed to be of a long nature than others. Such as where the accommodation has been physically adapted to meet the needs of the claimant or household resident;

- Pay a rent deposit – this will only be applied when the customer does not meet the rent deposit scheme in operation by Leicester City Council;
- Top up payment to allow the household to remain in the tenancy because of social, economic and cultural reasons;
- For claimants in receipt of Universal Credit, top up a mortgage payment to maintain repayment whilst the household seeks support to find solutions where repossession proceedings are sought by the mortgage provider

3.2 The various types of shortfalls that a DHP can cover include:

- 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;
- reductions in HB or UC as a result of local housing allowance restrictions;
- rent (and, for claimants in receipt of Universal Credit, mortgage) 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 accommodation rate;
- non-dependant deductions;
- income tapers.

3.3 DHPs cannot be paid in respect of certain elements of rent. These are fully set out in Appendix B of The Discretionary Housing Payment Good Practice Guide 2014 and includes:

- Ineligible service charges;
- Increases in rent due to outstanding rent arrears;
- Certain compliance / sanctions and reductions in benefit.

4.0 Who qualifies for a DHP?

4.1 In order to qualify for a DHP, a claimant must:

- be in receipt of housing benefit; and/or
- Universal Credit (UC) Housing costs; and
- has a rental liability or, for UC recipients, a mortgage liability; and
- require further financial assistance with housing costs.

4.0 Making an application

4.1 Applications to the City Council for a DHP may be made in one of the following ways:

- By visiting the customer service centre at York House 91 Granby Street Leicester, LE1 6FB or writing to the Revenues & Benefits Service at the same address;
- By telephoning (0116) 454 1006;
- By emailing housingbenefits@leicester.gov.uk;
- By visiting our website: www.leicester.gov.uk/housingbenefits

4.2 Applications may be made by a claimant or someone else on the claimant's behalf.

4.3 The claimant must provide the City Council with all information requested to enable it to assess the claim supported by documentary evidence if required.

5.0 Deciding whether to make an award and the amount

5.1 The City Council has a very broad discretion as to whether to make a DHP but will make its decisions in accordance with principles of good decision-making; in particular, it will act fairly and reasonably and each claim for a DHP will be decided on its own merits. The City Council will have regard to all the relevant circumstances.

5.2 Where the claimant is not living in social housing, the City Council will seek the advice of its Housing Options Service as to whether his/her accommodation is affordable and sustainable.

5.3 Where the claimant is living in social housing and is subject to the Social Rented Sector Size Reduction the claimant will be advised to apply to go on the housing register during the first 13 weeks of any DHP award, in order to bid for suitable alternative, cheaper accommodation.

5.4 Where the claimant is in receipt of Universal Credit housing costs and has a mortgage liability, the claimant will be advised to apply to the Mortgage Rescue Scheme during the first 13 weeks of any DHP awards in order to secure the property.

5.5 If the City Council decides to award a DHP, it has discretion as to the amount of the award provided that the claimant's need for financial assistance arises in respect of a liability to pay his/her rent (or similar payments), the amount cannot be more than the claimant's weekly eligible rent or mortgage interest eligibility.

5.6 The City Council may backdate an award of a DHP but only in respect of a period during which the claimant was entitled to housing benefit or universal credit for a period not usually exceeding 6 months from the date of the DHP claim or the date of claim if this is less than 6 months. In exceptional circumstances backdate may be considered for a longer period. Backdates cannot be awarded prior to the introduction of DHP on 2nd July 2001.

6.0 Payment

6.1 The City Council may make single or periodic payments of DHPs.

6.2 There is no limit on the length of time for which periodic payments may be made but, where it is considered appropriate to make conditional awards, this will usually be for no more than thirteen weeks on the first award. This gives the customer time to register with housing options and/or apply to go on the housing register. If the customer complies with this then a further award can be awarded for up to 52 weeks dependent on the length of time it may take to secure alternative accommodation.

6.3 Periodic payments are normally paid in accordance with the applicants' current benefit payment cycle, which can be weekly, four weekly, monthly, or as one payment.

6.4 Payments may be made to:

- the claimant;
- his or her partner,
- an appointee
- his or her landlord (or agent of the landlord); or
- to a third party to whom it might be most appropriate to make a payment.

6.5 DHP may be paid using the following methods:

- By electronic transfer (eg BACs)
- By crediting the customer rent account
- Payment will usually match the frequency of the HB or UC awards..

7.0 Notification of the decision

7.1 The City Council aims to notify the claimant of its decision within four weeks of receiving all the information necessary for it to process the application for the DHP. Claimants are notified of decisions in writing.

7.3 They will detail the

- weekly amount of DHP,
- the period of the DHP award,
- how, when and to whom the payments will be made,
- the requirement to report changes in circumstance; and
- the claimants right for a review.

7.2 Where the decision is against the claimant's interests, the City Council will provide reasons for it and inform the claimant of his/her right to request a review of the decision, the period within which that request must be made and to whom the review request must be made.

8.0 Reviews

8.1 A claimant who is refused a DHP or awarded less than the amount applied for has a right to request the City Council to review the decision provided the request is made in writing within one month of being notified of the decision.

8.2 The review will be conducted by an officer, who was not involved in the original decision, and who is of an appropriate grade.

9.0 Change in circumstances

9.1 A claimant who is in receipt of a DHP must inform the City Council of any relevant changes in circumstances which may affect the continuation of the award, in particular the claimant must tell the City Council about any changes as described below which are similar to changes that should be reported for the administration of HB/UC:

- Entitlement and payment of housing benefit and UC;
- Address;
- Income and capital;
- Employment status and earnings;
- Outgoings;
- Availability of other financial assistance;
- Household composition;
- Health.

This list is not exhaustive but gives a guide as to what should be reported.

9.2 Any changes must be reported to the City Council as soon as possible and may be reported by letter, telephone or email (see paragraph 4.1). In respect of Universal Credit claimants, all changes must be reported to both the Department for Work and Pensions and the City Council.

10.0 Ceasing payment

10.1 The City Council may cease making, or reduce the amount of, a DHP where:

- the decision to make the award was based in whole or in part on a misrepresentation;
- the claimant failed to disclose a material fact;
- the award was made as a result of an error; and/or
- the claimant failed to inform the City Council of a relevant change of circumstances.

10.2 If the City Council decides to cease making, or reduce the amount of, a DHP award, it will notify the claimant of this in writing, provide reasons for the decision and inform him/her of his/her right to request a review

of the decision, the period within which that request must be made and to whom the review request must be made.

10.3 The claimant may request a review of such a decision in accordance with paragraphs 8.1 to 8.2 above.

11.0 Recovery of overpayments

11.1 The City Council has a right to recover all or part of a DHP made in any of the circumstances set out in paragraph 10.1.

11.2 If the City Council decides to recover a DHP overpayment, it will notify the claimant of this in writing, provide reasons for the decision and inform him/her of his/her right to request a review of the decision, the period within which that request must be made and to whom the review request must be made. The customer/payee will receive an invoice against which to make a payment.

11.3 The claimant may request a review of such a decision in accordance with paragraphs 8.1 to 8.2 above.

12.0 Financial controls and budget monitoring arrangements.

12.1 The Revenues & Benefits Service will undertake monitoring of the number, amount and period of DHP awards in relation to the available DHP budget. The purpose is to ensure the DHP budget has sufficient funds to meet demands on the DHP budget throughout the financial year.

The policy will be reviewed on a rolling three year programme or at such time or occurrence where a review is appropriate.

13.0 Equality Monitoring arrangements

13.1 The Revenues & Benefits Service will also monitor cases where a DHP request has been refused to ensure decisions are being made fairly and consistently. The Council is subject to the general equality duty.

13.2 This means that steps will be taken to monitor implementation of this policy to ensure no one is subject to disproportionate adverse treatment because they had a protected characteristic. The general equality duty requires that the Council has due regard to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
- Take steps to meet the needs of persons who share relevant protected characteristic that are different from the needs of persons who do not share it
- Foster good relations.

14.0 Publicity

14.1 The Benefits Service will publicise the DHP fund.

DHP 's will be publicised on the Council's website and the Revenues & Benefit Service will ensure the Council's Homeless Team, Welfare Rights Advisors, Citizens Advice Bureau, other local advice agencies, local registered housing associations and voluntary sector organisations are made aware of the DHP, the relevant criteria for a payment to be made and how claims can be made.

15.0 Fraud

15.1 Leicester City Council is 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 Fraud Act 2006. Where it is alleged, or the authority suspects that such a fraud may have been committed, the matter will be investigated and if fraud is found to have occurred, action will be taken including if appropriate criminal proceedings.

Appendix A: Principle objectives behind the policy.

- alleviating poverty
- encouraging and sustaining people in employment and education
- sustaining tenancies and preventing homelessness
- to avoid disability or other unlawful discrimination;
- supporting vulnerable people
- support for those subject to size criteria under the Welfare Reform Act
- support those subject to other welfare reform changes including income capping
- safeguarding residents in their own homes
- helping those who are trying to help themselves
- keeping families together
- supporting domestic violence victims who are trying to move to a place of safety
- supporting the vulnerable or the elderly in the local community
- helping customers through personal and difficult events
- supporting young people in the transition to adult life, or
- promoting good educational outcomes for children and young people