

Discretionary Housing Payment Policy 2011

1. Overview

Discretionary Housing Payments (DHP) awards can only be made for periods when Housing Benefit or Council Tax Benefit (CTB) has been awarded. A DHP has to be requested by the person wishing to receive the award.

A form has been designed to gather the necessary information but a written request is acceptable and telephone or electronic requests are allowed. However, we must act consistently regarding what is accepted. Third parties can request an award on behalf of others as long as the person receiving HB or CTB has authorised that person to act on their behalf. This may be the voluntary sector but could be family members or friends or exceptionally landlords. Care should be taken that the landlord is acting on behalf of the tenant/resident and not themselves.

For every DHP request received a written response with reasons must be sent. DHP can be back dated to any period HB or CTB was in payment after the 2nd July 2001, there are no specific rules regarding backdates but the authority must apply the rules consistently.

DHP awards cannot be used to cover the following;

- Ineligible service charges – including water charges that HB will not cover
- Increases in rents due to outstanding arrears
- Council Tax liability where a Second Adult Rebate is payable.
- Reductions and losses in a benefit due to sanctions being imposed.
- Any amount of suspended Benefit.
- Where the person is entitled to HB, but not CTB, the liability to make Council Tax payments, and vice versa.
- Shortfalls caused by recovery of overpaid HB or CTB
- To pay above the rental or Council Tax liability when making up a shortfall.

2. What can they be used for?

DHP awards can be used to cover shortfalls between the HB or CTB paid and the rental or Council Tax liability due. The shortfall may be caused by rent restrictions, income tapers or non-dependant deductions.

DWP guidance in March 2011 advises that the awards can also be used more generally than just topping up shortfalls. For example they can be made to offset increases in essential work related expenditure such as increased travelling costs due to the customer moving further from their workplace due to reductions in Local

Housing Allowance (LHA) rates. DHP awards can be used to pay towards a rent deposit or rent in advance scheme.

DWP guidance confirms that the limit on DHP awards exceeding the rental liability only applies where the award is calculated as a weekly amount. If the DHP award is a lump sum, for example for rent in advance or a deposit, then the weekly limit does not apply.

Lump sum payments for rent in advance are not deemed to be in respect of a period. It is not essential that the person claiming the DHP is in receipt of HB for the whole period, they only have to be in receipt at the point the award is made. An advance payment can also be made towards rent at a property in a different authority as long as the award is made when that person was in receipt of HB in the original authority's area. It should be noted that once the DHP award for rent in advance or deposit has been awarded and used for that purpose legislation does not allow for it to be refunded.

DHP awards can also be made where HB is payable on two homes – if there is a shortfall on both properties they could receive DHP up to the eligible rent level on both properties. If the customer is only treated as liable for payments on one dwelling but they have to pay rent on two properties a weekly DHP up to the eligible rent on the original property is possible.

3. Making the decision

Before an award is made the appropriate person in Redditch Borough Council Benefits Service must be satisfied that the person claiming is entitled to HB or CTB or both and that they require further financial assistance with their housing costs.

The decision needs to be made quickly to prevent rent arrears or possible homelessness. The wider Housing issue needs to be discussed with Redditch Borough Council Housing Options before a decision is made. Consideration must be given to what an award of DHP will achieve and whether there is an alternative course of action or funding. Equally the consequences of not making an award should also be considered and whether any alternative support can be provided. The award notice shall include information, where appropriate, of other sources of advice and assistance, particularly where an award has not been made.

Consideration should also be given to:

- Any steps taken to reduce the rental or Council Tax liability.
- The financial and medical circumstances of the claimant, their partner, dependants or their household.
- Income and expenditure of the claimant and what steps have been taken to mitigate problems. There must be a consistent approach to how income and expenditure are treated
- Level of rent restriction and reason for the restriction.

4. Amount and period of award

If the DHP is to top-up a shortfall the amount paid in HB or CTB and the DHP must not exceed the weekly eligible liability for either Council Tax or rent. The dates of the award should be made clear to the customer. Lump sum payments are not subject to this restriction. The awards can be made for any length of time but care should be taken not to front load expenditure so that the agreed budget lasts for the whole year, where possible.

5. Payment

DHP awards will normally be paid along with the HB or CTB but must be distinguishable from payments of HB or CTB. For lump sum payments separate payments may be made.

6. Overpayment

DHP awards can be recovered but only by recovery from the customer. Deduction from ongoing HB is not allowed to recover overpaid DHP. A separate decision will be made as to whether overpaid DHP should be re-paid, which will depend upon the circumstances that led to the overpayment.

7. Disputes

We can review a decision if there is a dispute. Someone other than the original decision maker should review the case. However the Tribunal service cannot be used as they do not have the power to make decisions on these cases. Again we must be consistent with our approach.

Benefits Services Manager
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