

Swindon Borough Council

Discretionary Housing Payments Policy Statement & Procedures

VERSION CONTROL

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DHP Policy Statement & Procedures

1. Introduction

The Discretionary Housing Payment (DHP) Scheme is operated by the Benefits Team at Swindon BC. It is used to assist Housing Benefit and Universal Credit customers who may need further financial help with their housing costs during periods of short term need. Housing Cost can include help towards rent, tenancy start up costs, and moving costs.

The Council receives limited funds each year for the Discretionary Housing Payment scheme. The amount that can be spent on the scheme each year is restricted and not everyone who claims a Discretionary Housing Payment may be awarded a payment.

The use of DHP for households unable to afford their rented accommodation due to exceptional circumstances and can be a useful tool for preventing homelessness.

The desired outcome is to maximise use of Discretionary Hardship Payments to meet the needs of the local community in line with the corporate objectives.

Funding is available in order to prevent rent arrears or homelessness amongst vulnerable people. Housing Benefit or Universal Credit Housing costs shortfalls (the difference between entitlement and the rent due) may arise for a number of reasons. These include 'Benefits caps', under-occupancy reductions in Social Sector Housing, Local Housing Allowance restrictions, non-dependent deductions and other factors affecting allowances, such as changes to severe disability premiums, removal of family premiums and restrictions on benefits relating to the numbers of children in a household.

2. Local Context

Swindon Borough Council and its Partners have previously set priority outcomes for Swindon and its Community. One of these was "Living independently, protected from harm, leading healthy lives and making a positive contribution". More recently the Council has set a priority of making Swindon a Fairer Place.

The desired outcomes:

- Increased community involvement so that everyone is able to make a positive contribution.
- More people feel in control at times of crisis, are protected from abuse and family breakdown and are more resilient and more able to regain their independence
- People in need are benefiting from joined up services that are easy to access

There are clear links between poverty and homelessness. Households on low incomes not receiving all benefits to which they are entitled are at higher risk of experience rent arrears and so at risk of losing their homes.

Closer work with the Housing Options Team has identified cases where a combined approach can help target resources to avoid homelessness. This may be through the use of Discretionary Housing Payments, but also in renegotiating rents or finding more affordable accommodation.

3. Scope and Purpose

The Discretionary Housing Payment (DHP) scheme covers shortfalls between eligible rent and payment of Housing Benefit, and can be used to assist in Tenancy start up costs, rent in advance and rent deposits and contribution towards costs of moving, where individuals are moving to cheaper accommodation.

Every claimant who is entitled to the minimum amount of Housing Benefit or Universal Credit Housing element is entitled to make a claim for help. Housing options and Housing may assist those claimants who need assistance. Help with rent deposits and moving costs should be used particularly to help individuals move to cheaper accommodation.

The main features of the scheme are that:-

- The schemes are purely discretionary; a claimant 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
- Discretionary Housing Payments are not a payment of Housing Benefit. However Housing Benefit or Universal Credit must be in payment in the benefit week that a DHP is awarded for, and this includes payments for tenancy start up or moving costs to claimants who move (possibly to more affordable accommodation) . In order to qualify claimants must be in receipt of Housing Benefit or Universal Credit at their current address.

4. Claiming a DHP

Claims for DHP should be made in writing (includes online applications) however an application is not always required but the request must be written and can be accepted from the claimant or a person acting on their behalf.

Swindon BC has developed a DHP application form that asks key questions to help guide the customer to providing the information required along with any supporting evidence to make a decision.

The questions contained in the form also guide the decision maker and helps to make an informed decision.

Applications are available online and should be available over the phone. Any forms issued should be returned within one calendar month of issue.

5. Considering a DHP

When considering a DHP you must be satisfied that:-

- There is a shortfall between the amount of benefit awarded and the amount of eligible rent the claimant is liable to pay (except in the case of help with tenancy start up or moving costs)
- The claimant requires further help with housing costs,
- Housing Benefit or Universal Credit has not been suspended because a doubt has arisen about entitlement or the claimant has failed to supply information relevant to their claim,
- There are sufficient funds available to make a payment.

A DHP cannot be made when:

- The claimant's income is subject to a reduction in their benefit entitlement as the result of recovery action by the DWP or other deductions in respect of other Overpayments of Benefits.

6. Decision Making

When making a decision regard must be made to the objectives of Swindon's corporate community strategy. All applications will be treated on their individual merits but decision will seek to:

- Prevent homelessness and alleviate poverty.
- Safeguard Council residents in their homes or help find new accommodation.
- Reduce worklessness by encouraging residents of the Borough to obtain and sustain employment.
- Support the vulnerable in the local community.
- Support vulnerable young people in the transition to adult life.
- Keep families together and help those with parental responsibilities (and some who may only have responsibility for their children at weekends).
- Help claimants through personal crises and difficult events.
- Help those who are trying to help themselves.

Further factors that must be considered when making a decision will include:

- The shortfall between Housing Benefit and UC Housing cost element and the liability;
- Any steps taken by the claimant to reduce the rental liability;
- Does a member of the household have a disability and has the accommodation been adapted to meet their needs;
- The medical circumstances (i.e. ill health and disabilities) of the claimant, their partner and any other occupants of the claimant's home;
- Was the claimant moved to the address in order to assist with the care;
- The income and expenditure of the claimant, their partner and any other occupants of the claimant's home;
- The Council's cabinet has decided that monies paid as Armed Forces Compensation Payments should be disregarded from April 2025 onwards.
- Other savings or capital that might be held should be taken into account
- The level of indebtedness of the claimant or their family
- The exceptional nature of the claimant and family's circumstances;
- Is the individual fleeing domestic abuse or violence (which may have resulted in two rental liabilities);
- Are children near the age limits, at which they would qualify for their own room.
- The possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation;
- Any other special circumstances

The budget will be a consideration when making a decision, but each case must be considered on its merits.

Further guidance is available through the DWP DHP best practice guide.

When the application for DHP is received the decision maker will need to establish if further reasonable evidence is needed to support the request. Where this is the case a letter should be issued to request this information, giving the claimant one month to provide the evidence.

Where evidence is not returned, a decision will be made based on the information already held. Any information provided may be verified by the decision maker.

All decisions for DHP must be recorded on a decision sheet and also recorded on the DHP database.

A letter must be issued to the customer advising of the decision, with the aim to issue this within 10 working days

7. Period of an award

The DHP scheme is generally seen as a short-term emergency fund. The start date of an award will normally be:

- the Monday after the written claim for a DHP is received, or
- the date on which entitlement to Housing Benefit or UC claim commenced (providing the application for DHP is received within one calendar month of the claim for Housing Benefit/ being decided),

The period of an award is entirely dependant upon the individual circumstances of the claimant and funding available.

The Benefits Team will decide the length of the DHP award on the basis of the evidence supplied and the facts known. In many circumstances awards will be made for a period up to 3 or 6 months. Awards will not be made for more than 12 months. For those with disabilities who have had their accommodation adapted, it may be appropriate to award payment for the whole year. Minimum period of an award is one week.

DHP's may be backdated in exceptional circumstances and by request of the claimant provided that Housing Benefit or UC housing element has been awarded for the earlier period.

8. Method of payment

The payee will be the most appropriate person based upon the circumstances and could include, the claimant, their partner, their landlord (or an agent), an appointee, or any appropriate third party.

Payments will be made together with Housing Benefit payments, if applicable, or at various intervals or in a lump sum payment if appropriate.

9. Notification

Where possible a letter will be issued within 10 working days (of receipt of all information to make a decision) of the outcome of the application.

Where the application is unsuccessful the letter will set out the reasons why this decision was made and explain the procedure for requesting a review.

Where the application is successful the letter will advise:-

- the amount of DHP awarded
- the period of the award
- the requirement to report a change of circumstances

10. The Right of Appeal

Discretionary Housing Payments are not payments of Housing Benefit or Universal Credit and so not subject to the statutory appeals mechanism. Councils are expected to set up an appropriate appeals process.

Despite no formal appeal rights, claimants will be given the opportunity to have a DHP decision reviewed by a Senior Officer in the following circumstances:-

- a refusal to award a DHP,
- a decision to award a reduced amount of DHP,
- a decision not to backdate a DHP or
- a decision that there has been an overpayment of a DHP.

An appeal must be made in writing within one calendar month of the decision letter

Attempts should be made to resolve the matter by explaining the DHP decision to the customer by telephone, at interview or in writing.

The Senior Officer must review all the evidence held and make a decision within 10 working days of the request.

The decision must be recorded and a letter advising of the decision issued to the customer. The letter must give the reason for the decision.

The decision may only be challenged via the judicial process

In exceptional circumstances, time periods for appeals may be extended.

11. Change of circumstances

Where a customer notifies of a change in their circumstances, the need for a DHP as well as the amount of the DHP should be reviewed.

The customer has a duty to report any changes to their circumstances that may affect their payment.

12. Overpayments

Overpayments of DHP may be recovered.

DHP's cannot be recovered from underpaid Housing Benefit. An invoice will need to be raised separately. Repayment of any overpaid DHP should be sought as quickly as possible.

Any overpaid DHP will be notified in writing this will include details of the customers appeal rights.

13. Recording a DHP

Each request for a DHP must be recorded on the database on receipt. Records of awards need to be maintained for budget information (monitoring) and for Government returns. Information on any DHP used for

tenancy start up costs will also need to be retained separately. Information retained will include name, address, amount granted and reason.

14. Monitoring the Budget

The Council are awarded an annual sum for the payment of DHP. Existing Council policy may provide for a contribution by the Authority towards the payment of DHP and therefore it is important to ensure annual payments do not exceed the DWP permitted total.

The annual budget for DHP is broken down and monitored monthly. The budget is reviewed monthly to ensure payments remain within the annual permitted total and will be reported to Members.

15. Publicity

The scheme will be publicised on the Council's web site, letters to claimants and promotion at any stakeholder engagement for example with other LA departments such as Housing, Revenues, Councillors, landlord forum, Citizens Advice meetings.

Financial and budget information will normally be made available at the end of the financial year.

16. Fraud

The Council is committed to the fight against fraud in all forms. Where fraud is suspected in relation to a claim for DHP, a referral will be made to the Council's Fraud team who will investigate the matter and this may lead to criminal proceedings being instigated.