

**Isle of Wight Council**

# **DISCRETIONARY HOUSING PAYMENT (DHP) POLICY**

**April 2023**

# 1 Document Information

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Version History		
Version	Date	Description
0.1	June 2013	1 <sup>st</sup> Draft
1	October 2013	Approved
1.1	September 2015	Slight amendments made following of the review policy in March. Change from Council Tax Benefit to Local Council Tax Support and inclusion of Universal Credit prior to implementation date – currently due Dec 15.
1.2	December 2016	Slight changes made following a review of the policy against the DWP Discretionary Housing Payments Guidance Manual. Review date changed to April every year next review April 2018.
1.3	April 2018	A slight change made following a review to incorporate Universal Credits into one paragraph.

1.4	April 2019	Slight change for the change of funding provision provided by the DWP from April 2019
1.5	April 2020	Updated provision of funding from the DWP and additional wording regarding Universal Credit cases.
1.6	April 2021	Slight change to reflect change of funding provision provided by the DWP from April 2021 and updated guidance regarding Universal Credit cases.
1.7	April 2022	Slight change to reflect change of funding provision provided by the DWP from April 2022.
1.8	April 2023	Slight change to reflect change of funding provision provided by the DWP from April 2023

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## **1. Background**

- 1.1 The Discretionary Housing Payment (DHP) scheme covers shortfalls between rental liability and payment of Housing Benefit or the Housing element of Universal Credit, it does not cover any payments in respect of Localised Council Tax Support (LCTS) from April 2013.
- 1.2 Every claimant who is entitled to the minimum amount of Housing Benefit or Universal Credit which includes the Housing cost element and has a shortfall is entitled to make a claim for further financial help.
- 1.3 The legislation governing DHP's is contained in the Discretionary Financial Assistance Regulations 2001(S1.2001/1667) as amended by the Council Tax Abolition Regulations 2013 which came into effect from the 1 April 2013 and Universal Credit Regulations 2013 which came into force on the 29 April 2013.
- 1.4 The main features of the scheme are that:
  - The scheme is purely discretionary; a claimant does not have an automatic 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;
  - Local authorities decide how to administer the scheme
  - DHP's are not a payment of Housing Benefit.
- 1.5 However, the minimum amount of Housing Benefit or the Housing Costs element of Universal Credit must be in payment in the benefit week that a DHP is awarded for.
- 1.6 The scope of this policy has been widened from April 2013 to reflect the impact of welfare reform and any additional funding made available by central government that will support customers through the introduction of the various changes where further financial assistance towards housing costs is deemed appropriate.

## **2. Finance**

- 2.1 Since 2014/15 the level of Government funding towards DHP's has continued to remain relatively stable. The funding in 2013 was £272,944 and since this time we have seen fluctuations in funding each year depending on changes being introduced by way of Welfare Reforms. The funding available for 2023/24 from central government is £225,653. Future years funding may increase or reduce and is dependent on the level of funding provided by Central Government. If government DHP funding declines year

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on year this will have to be reflected in the making of awards and may impact on the most vulnerable and those at risk of homelessness

2.2 Appropriate funding will be allocated quarterly throughout the year. The funding will be allocated into four specific groups as follows.

- Core DHP – for general allocation
- Local Housing Allowance (LHA) – for shortfalls caused by the changes to LHA generally
- Social Sector under occupation – for shortfalls caused by changes to Housing Benefit within the Social Sector (Removal of the Spare Room Subsidy); and
- Benefit Capping – shortfalls caused by the limitation of overall benefit expenditure.

2.3 The allocation each quarter will be as follows:

Quarter 1	£56,414
Quarter 2	£56,413
Quarter 3	£56,413
Quarter 4	£56,413

2.4 Any unspent funds from a previous quarter will be allocated between the remaining quarters.

2.5 Any unspent DHP funding from the Government is required to be returned to the Department for Works and Pensions at the end of the financial year.

### **3. Statement of Objectives**

3.1 The DHP Officer will consider making a payment of DHP to claimants who meet the qualifying criteria, and where there is sufficient funding to allow payment. They will treat all applications on their individual merits so that all residents will receive fair and equal treatment and will seek through the operation of this policy to:

- Alleviate poverty.
- Prevent homelessness by sustaining tenancies and safeguarding customers in their homes where it is reasonable to do so, and active steps are being taken by the customer to manage a tenancy.
- Enable customers in the short term to make the changes necessary to move forward and into more appropriate housing and financial position
- Support vulnerable young people in the transition to adult life.
- Encourage residents of the Island to obtain and sustain employment.
- Support the vulnerable in the local community.
- Assisting customers who are trying to help themselves.
- Support the transition into work
- Keeping families together

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- 3.2 DHP awards should generally be viewed as short-term emergency funds rather than an ongoing top up payment in addition to a claimant's individual benefit entitlement and should not be considered as a way round any current or future entitlement restrictions set out within the Housing Benefit or Universal Credit legislation. In exceptional cases the length of award can be extended with the ability to provide longer term support in appropriate cases.
- 3.3 The DHP award is designed to give people time to take action, which may assist their position. This may include looking for cheaper alternative accommodation, seeking budgeting or debt advice or adjusting to their changed circumstances. The council would expect claimants to take all reasonable steps to address the reasons for the shortfall to consider making any award.
- 3.4 The council will work in partnership with stakeholders to ensure all Government funding is used to assist our residents and signpost them to other forms of assistance where appropriate.
- 3.5 From April 2013, DHP's can assist people who receive Universal Credit, providing they have a rental liability and are eligible for support towards their housing costs.

#### **4. Claiming a Discretionary Housing Payment**

- 4.1 DHP applications are available on the Isle of Wight Council website; however, there must be entitlement to Housing Benefit for rented accommodation or the housing costs element of Universal Credit for a person to be eligible for consideration. The form should be returned as soon as possible as entitlement is normally considered from the Monday following the date the application is received. The applicant will be required to include any relevant supporting evidence.
- 4.2 The DHP Officer will request evidence in support of an application either in writing or by telephone. The claimant will be asked to provide the evidence within one month of such a request although this will be extended in appropriate circumstances.
- 4.3 The DHP Officer reserves the right to verify any information or evidence provided by the claimant in appropriate cases.

#### **5. Period of Award**

- 5.1 In all cases the DHP Officer will decide the length of time for which a DHP will be awarded on the basis of the evidence supplied and the facts known. Current availability of DHP finances will be taken into account.
- 5.2 The start date of an award will normally be the Monday after the written claim for a DHP is received by the DHP Officer, however discretion to award prior to the receipt date of the application may be considered in exceptional circumstances only.
- 5.3 The minimum period for which the DHP Officer will award a DHP is one week.

- 5.4 As a guide, the DHP Officer will usually award a DHP for 13 weeks.
- 5.5 Repeat payments will only be considered in exceptional circumstances where the claimant is taking all reasonable steps to improve their situation but will not usually be long term (exceeding 26 weeks).
- 5.6 DHP officers may consider making longer term awards where appropriate.
- 5.7 DHP awards will terminate at the end of the financial year.

## **6. Awarding a Discretionary Housing Payment**

- 6.1 In deciding whether to award a DHP the DHP Officer may take into account:
- The difference between the applicable amount and received income.
  - The shortfall between Housing Benefit and the liability.
  - Any steps taken by the claimant to reduce the rental liability or seeking alternative solutions.
  - The medical circumstances (i.e. ill health & disabilities) of the claimant, their partner and any other occupants of the claimant's home.
  - Any savings or capital that might be held by the claimant or their family.
  - The level of debts or loans of the claimant or their family, and the duration of the loan period.
  - Any special circumstances brought to the attention of the DHP Officer.
  - Shortfalls due to non-dependant deductions.
  - Rent deposits, rent in advance and removal costs.
  - Allowing DHP on two homes.
  - Households consisting of refugees who require support
  - Whether the claimant has applied for council or another registered social landlord accommodation.
  - If the claimant has agreements for Sky/ Cable/ Mobile Phones etc the amount paid should be considered and may be classed as expenditure until the contract, they are tied into ends or is able to end after a period of notice. However, if the claimant requests a re-consideration on the grounds that there is a genuine need for this to continue, for example in the case of someone who is housebound, TV related payments can exceptionally be allowed to continue as expenditure provided the charge is reasonable.
  - Fines for speeding, parking and bad debts will not be classed as expenditure.
  - The DHP fund allocation availability.

## **6.2 What Types of shortfall can DHP's cover in Universal Credit cases**

The various shortfalls that a DHP can cover include

- Reductions in UC where the benefit cap has been applied.

- Reductions in UC due to the removal of the spare room subsidy.
- Reductions of UC as a result of LHA restrictions.
- Housing cost contributions in UC from non-dependants.
- policy to limit benefit to two children
- rent shortfalls to prevent a household becoming homeless whilst the housing authority explores alternative options
- removal of the family premium
- Any other policy changes that limit the amount of UC payable and
- Former HB only claimants who were previously in receipt of the Severe Disability Premium.

The DHP Officer will decide how much to award based on all circumstances. This may be an amount below the difference between the liability and the payment of Housing Benefit or Housing element costs included in the Universal Credit. An award of a DHP does not guarantee that a further award will be made at a later date even if the claimant's circumstances have not changed. Any award will not exceed the eligible rent for housing benefit or the housing costs less any ineligible service costs for the housing element of universal credit awards.

- 6.3 Claimants should demonstrate that expenditure has been reduced or alternative accommodation has been sought prior to a further award being made.
- 6.4 DHP's can offer support for rent deposits, rent in advance and other lump sum costs associated with housing needs such as removal costs. To get any of these payments the customer must be receiving either Housing Benefit or the housing element of Universal Credit for their rental costs at their current property and been recommended and supported by the Councils' Housing Officers for the prevention of homelessness. Unlike weekly awards for DHP, the council will consider repayment of this award where appropriate.
- 6.5 Other considerations when making a DHP payment for a rent deposit, rent in advance or for removal costs:
- Paying the landlord rather than the customer
  - Have they got a deposit or rent in advance on their existing property which needs to be returned to them
  - Have they had assistance through a rent deposit guarantee scheme or similar
  - Has assistance been sought from the Housing Options Team
  - The availability of other alternative financial support available to a person on application
  - There is no duplication of payments from housing benefit, universal credit housing element or any other assistance provided for this purpose

## 7 Ineligible Amounts



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7.1 Discretionary Housing Payments cannot be paid for the following items:

- A shortfall in their income resulting from a DWP sanction, including Job Seekers Allowance
- Ineligible service charges
- Water, utility, sewerage and environmental service charges
- Help towards Council Tax charges
- An increase in rent charges due to recovery of rent arrears
- If any other unreasonable expenditure has been undertaken by the claimant
- Rent if not entitled to Housing Benefit
- Housing costs if not eligible to Universal Credits
- The acquisition of furniture or household equipment; and
- The use of such furniture or equipment where that furniture or household equipment will become the property of the claimant by virtue of an agreement with the landlord
- Owner occupiers are not eligible to a DHP to cover mortgage interest payments
- If a new claim advance has been paid for a Universal Credit case. A DHP can only be awarded after the first assessment period.

**8. Changes of Circumstances**

8.1 The DHP Officer may need to revise an award of a DHP where the claimant's circumstances have changed.

**9. Backdating**

9.1 The Isle of Wight Council will consider any requests for Backdated awards. These will be considered on a case-by-case merits only by agreement with a Supervisor, Team Leader, or Senior Member of the Management Team, taking into account all relevant circumstances.

**10. Method of Payment**

10.1 Payment of DHP's will generally be made to the payee of the Housing Benefit claim. The frequency of payments will normally be made in line with the payment of Housing Benefit. In Universal Credit cases payment will normally be issued to the applicant however, it may be issued to the landlord if there are arrears or there is direct payment of the Housing costs element of Universal Credit. In such circumstances the DHP payment would usually be made on the same payment frequency as those currently made for housing benefit payment periods.

**11. Notification**

11.1 The DHP Officer will inform the claimant in writing of the outcome of their application. Where the application is unsuccessful the DHP Officer will set out the reasons why

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this decision was made.

11.2 Where the application is successful the Benefits Section will advise:

- The weekly amount of DHP awarded or whether a lump sum payment
- The period of the award
- How, when and whom the award will be paid
- The requirement to report a change in circumstances
- That an award does not guarantee a further repeat award will be made even if the customers circumstances has not changed as repeat awards will only be made in exceptional circumstances
- The steps and measures for the claimant to undertake in order to resolve any ongoing shortfall.

## 12. Disputes

12.1 Discretionary Housing Payments are not payments of Housing Benefit and are therefore, not subject to the statutory appeal mechanism.

12.2 The DHP Officer will operate the following policy for dealing with disputes.

12.3 A claimant (or their appointee or agent) who disagrees with a DHP decision may dispute the decision. A request disputing a decision shall be made in writing to the Benefits Office within one calendar month of the written decision being issued to the claimant.

12.4 Where agreement cannot be reached, an independent Benefit Supervisor, Team Leader or Senior Member of the Management Team will consider the case. They will review all the evidence held and will make a decision within 14 days of the referral or as soon as practicable thereafter.

12.5 Where a Benefit Supervisor, Team Leader or Senior Member of the Management Team decides not to revise the original decision he/she will notify the claimant of their decision, in writing, setting out the reasons for their decision. This decision is final and binding and may only be challenged via the judicial process or by complaint to the Local Government Ombudsman.

12.6 In exceptional circumstances only, all the above time periods for appeal may be extended.

## 13. Overpayments

13.1 The DHP Officer will seek to recover any DHP found to be overpaid. Normally this will involve issuing an invoice to the claimant or the person to whom the award was paid. It is most unlikely that recovery of any overpayment caused by an 'official error' will be sought if the claimant could not be expected to be aware the payment was incorrect.

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13.2 Overpayments of DHP may occur because of:

- Initial misrepresentation or failure to disclose a material fact
- Error
- Change in a customer's circumstances

13.3 Under no circumstances will recovery be made from any amount of Housing Benefit or Universal Credit due to the claimant (except if the claimant requests this method of recovery specifically in writing), or from any other prescribed benefits.

13.4 The decision letter that notifies an overpayment will also set out the following:

- Reason for overpayment
- Amount of overpayment
- Period of overpayment
- From whom the overpayment is to be recovered
- The right of review

The review process for overpaid DHP's will mirror that as stated for the award process.

## **14. Publicity**

14.1 The Isle of Wight Council Benefits Service will publicise the scheme. A copy of this policy is available for inspection and is posted on the Council's website.

## **15. Fraud**

15.1 The Isle of Wight Council Benefit Services are committed to the fight against fraud in all forms. A claimant who tries to claim a DHP by falsely declaring their circumstances or by providing a false statement or evidence in support of their application may have committed an offence under the Theft Act 1968. Where the DHP Officer suspects that such a fraud may have occurred, the matter will be investigated as appropriate, and this may lead to criminal proceedings being instigated.