



WOKINGHAM BOROUGH COUNCIL

DISCRETIONARY HOUSING PAYMENTS POLICY 2023- 2024

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Version Control

Version	Date	Author	Comments
1	11 th May 2021	Nicky Thomas	Final version – Agreed by John Kaiser
2	11 th April 2022	Clare Fell	Updated
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Discretionary Housing Payments

1. Introduction

National Picture

In July 2001 Local Authorities were granted new powers under the Financial Assistance Regulations 2001 to make discretionary payments in respect of Housing Rent and Council Tax liabilities, known as Discretionary Housing Payments (DHP).

Due to the abolition of Council Tax Benefit from 1st April 2013, help with council tax liabilities can no longer be claimed under DHP.

Under the Universal Credit (Consequential Amendments) Regulations 2013, further amendments have been made to allow someone in receipt of Universal Credit, with a rental liability, to claim a DHP.

DHPs are not payments of benefit and are outside of the Housing Benefit and Universal Credit Regulations. We operate our scheme within guidance issued by Department for Works and Pensions (DWP) for best practice.

Under amendments to the Financial Assistance Regulations, from April 2013 Discretionary Housing Payments can be paid to cover other housing costs in addition to rent commitments. Expenditure is expected to fall within 4 broad areas:

- Local Housing Allowance Changes
- Benefit Cap
- Under Occupancy
- General DHP awards

DHPs provide additional financial support for claimants of Housing Benefit (HB) or Housing Costs Element of Universal Credit (UC) to meet their housing costs, who are considered by the Council to be in severe financial hardship or have exceptional circumstances.

The Department for Work and Pensions (DWP) makes annual grants available to local authorities for DHP purposes. Wokingham Borough Councils allocation for 2023/2024 is £145,121.00.

The Council considers how to allocate this limited resource in a way that is not only fair, but also supports those that the Council considers to be in most need of assistance.

Local Picture

Wokingham Borough Council (the Council) has expanded the scheme to cover rent deposits, rent in advance and moving costs in addition to or instead of only allowing a time limited payment of rent in exceptional circumstances. This enables the Council to assist claimants with real solutions to ongoing financial hardship.

In addition to general DHP funding, further additional funding has been and continues to be provided by Department for Works and Pensions to assist hardship arising from Welfare Reform including:

- Reductions in Housing Benefit or Universal Credit where the benefit cap has been applied
- Reductions in Housing Benefit or Universal Credit for under occupation in the social rented sector
- Reductions in Housing Benefit or Universal Credit as a 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.

2. Statement of Objectives

The Council recognises that it must be able to respond flexibly to the needs of tenants within the borough if it wants to support strong and sustainable local communities.

Discretionary Housing Payments will be used to help mitigate the escalation of needs that arise from unforeseen or exceptional circumstances that threaten tenants' abilities to remain in their homes, or secure suitable housing.

In general payments of DHPs are to assist with a short-term fix, while longer term solutions are sought.

The intentions of DHPs are:

- To help secure and move to alternative accommodation (e.g. rent deposit, Rent in advance

- To help with short-term rental costs until the claimant is able to secure and move to alternative accommodation
- To help with short-term rental costs while the claimant seeks employment
- To help with on-going rental costs for a disabled person in adapted accommodation
- To help with on-going rental costs for a foster carer
- To help with short-term rental costs for any other reason.

DHP awards cannot cover:

- A shortfall if Housing Benefit or Universal Credit has been reduced to recover an overpayment or because other benefits have been reduced, for example, because the claimant left their last job voluntarily.
- The cost of any services which are not eligible for help under the Housing Benefit or Universal Credit schemes such as ineligible service charges, water & sewerage, fuel and heating charges.
- Increases in rent due to outstanding rent arrears.
- Sanctions and reductions in benefit as set out within the current DWP DHP Guidance Manual
- Help towards the cost of Council Tax if there is a loss of assistance due to the abolition of Council Tax Benefit.

3. Policy

3.1 Discretionary Housing Payments Scheme

DHPs are intended to provide short-term financial assistance in exceptional circumstances, where there is a shortfall between statutory benefits and rent. The scheme was extended to particularly help with financial difficulties as a result of welfare reform, although in general awards are still for a fixed period and are intended to be short term.

The delivery of the DHP scheme is purely at the Council's discretion. The scheme set out in the following paper shall be known as the Discretionary Housing Payments Policy.

Awards can be made for any period up to a maximum of 52 weeks, without review, under normal circumstances. Any claimant can apply for a new award up to 4 weeks before the end of an existing award. This reflects the expected temporary nature of DHP support.

Financial criteria and checks for entitlement are carried out in accordance with guidance and DWP best practice guide.

The main features of the scheme are that:

- ☐ DHPs are discretionary
- ☐ Claimants do not have a statutory right to a payment
- ☐ It is a cash limited fund
- ☐ The Benefits Service decides how the scheme is administered in accordance with the Department for Work & Pensions framework and guidance.
- ☐ DHPs are not a payment of HB

3.2 Applying for a Discretionary Housing Payment

- Applications must be made on the appropriate application form available on our website or in hard copy by request.
- Evidence may be required to assist with the decision making of the application.
- All outcomes will be notified in writing.

3.3 Eligibility Criteria

To be considered for a DHP the applicant must:

1. Be entitled to Housing Benefit, or Universal Credit that includes a housing element towards housing liability,
2. Satisfy the Council that further financial assistance (in addition to the benefit or benefits to which they are entitled) is required in order to meet housing costs,
3. Have an assessed weekly income no more than 110% of assessed weekly essential expenditure,

4. In the case of requests for removal costs, rent deposit and rent in advance, where one-off payments could be made, we would look to see the affordability of the charges, for example where funds are needed urgently to secure accommodation and/or facilitate a move. Points 1 & 2 above still apply; however the assessed weekly income may exceed the 110% buffer but the main consideration in an award for removal costs, rent in advance and rent deposit is the overall affordability including the sustainability of rent payments going forward.

3.4 Awarding a Discretionary Housing Payment (DHP)

There is a very limited amount of money available each year for DHP's to those in receipt of Housing Benefit OR Universal Credit.

However, it must be realised that because of the limited amount of money available there is no guarantee applicants will receive any extra help through the DHP scheme.

Before making a decision on any application we receive, we will consider all the factors involved including the following:

- What makes your circumstances different, exceptional or critical.
- Whether a payment will provide real help to your situation.
- How long you need the help for and whether there are other ways to help your financial situation.

How much you will receive.

When awarding a DHP the following will be considered:

- If awarded due to a shortfall, awards cannot exceed the rent charged but could be up to 100% of any shortfall of benefit compared to the full eligible rent
- If awarded in connection with a claim of Universal Credit, DHP awards can, in general, be up to the level of the claimants housing element of UC
- If awarded due to a shortfall caused by a non-dependant deduction, the income of the non-dependant (this could be an adult member of the household including grown up children) will first be considered, along with the reason why they are not making or are unable to make a financial contribution to the household costs
- In addition, no payment will exceed the difference between the assessed weekly income and assessed weekly essential expenditure, unless it is a lump sum payment for removal costs/rent deposit/rent in advance where affordability is looked at, or an additional sum towards rent, providing award does not exceed the

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rent charged but could be up to 100% of any shortfall of benefit compared to the full eligible rent and would assist in resolving a short-term issue

- Different types of claims may demand different support levels and length of award
- The Council may decide, where appropriate, to start to apply a taper to reduce the amount of DHP received, where a customer could be reasonably expected to address the issues surrounding the need for claiming
- There will be no limit on the number of repeat applications where a positive award has been made
- Repeat claims previously refused within the last 6 months for the same situation will not be allowed unless there is a change in circumstances
- Any award is seen ideally as being a temporary assistance with the aim being to allow claimants time to assess and change their circumstances and to be able to financially support themselves going forward. Recommendations may be made to assist the customer to help address specific areas, and where such recommendations are not heeded, conditionality could be applied for any future applications for assistance

3.5 Priority groups

Priority and non-priority groups have been established to ensure that the most vulnerable claimants with exceptional circumstances are prioritised with longer term financial assistance up to the end of each financial year.

Priority Groups are defined as:

- People with health or medical problems who need access to local medical services or support that might not be available elsewhere
- People with disabilities who receive informal care and support in their current neighbourhood which would not be available in a new area
- Families who have a child with a disability who rely heavily on local support networks which would not be available in a new area
- Vulnerable adults who have lived in the area for a long time and would find it difficult to establish support networks in a new area
- Severely disabled tenants in substantially adapted properties
- People requiring an extra room for a member of the family for medical reasons in line with the Council's Allocations Scheme
- People within six months of their Pension Credit age
- Pregnant women expecting their first child within six months of due date who require an extra room

Claimants who do not meet the priority group criteria will be placed in the non-priority group and will be considered for a short-term award in order to give time for the claimant

to take actions to improve their situation. Conditions will be placed on most of these awards to reduce the claimant's reliance on DHPs. Conditions are always designed to be beneficial to the claimant improving their situation and are not a punitive measure.

Examples of types of conditionality include:

- Actively looking for work, with or without the support of the Council, or one of our partners
- Receiving and acting on debt advice to increase income, reduce outgoings and prioritising debts from an organisation that qualified to provide advice
- Working with the Housing Team to explore alternative housing options
- Applying to be on the housing register, and bidding for suitable available properties in each cycle based on their housing need
- Actively using HomeSwapper to look for mutual exchanges
- Paying any remaining shortfall in help with housing costs being received
- Paying rent arrears arrangements or Court orders
- Receiving, acting and working with advice from specialist support services.

When making a repeat application, the applicant must be able to show how they have met the conditions applied to their previous award, and any steps they have taken to improve their situation.

3.6 Payments of a Discretionary Housing Payment

Any award will be paid either with current housing benefit using the current methods of payment, direct to the landlord or in the most appropriate way for assistance with moving costs.

DHP payments for Universal Credit recipients will be paid in the most appropriate manner deemed by the authority and in accordance with DWP guidance.

3.7 Notification

The Council will notify the claimant of the outcome in writing including the amounts and length of time of award, within 10 working days, whenever possible, of a completed claim and evidence being received.

The notification will also include details of what to do at the end of the current award if help is still required.

It will also include details of how to appeal a decision.

3.8 Right to Appeal

DHPs are not subject to any formal statutory appeals process.

The Council has formulated an internal reconsideration process for those who are not satisfied with the decision made.

If the claimant is dis-satisfied they can request for a reconsideration within 1 calendar month of the decision being made, where it will be reviewed by a Welfare officer who will be different from the officer who made the original decision.

The officer will look at the case and make a decision whether to change the outcome or leave the original decision in place. Where the original decision remains unchanged, before notifying the decision to the claimant, a final review will be carried out by the Service Manager – Assessments.

The claimant will be notified of this decision in writing within 10 working days of all relevant information being received.

This is the only and final process open to the claimant. However, claimants do have the option to use the Judicial Review process to review the manner in which the Council has determined to exercise a discretionary function.

3.9 Overpayments

If the Council becomes aware that the information contained in an application for a DHP award was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council may seek to recover the value of any DHP award made as a result of that application.

3.10 Fraud

The Council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a DHP award might have committed an offence under the Fraud Act 2006.

If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate, and this could lead to criminal proceedings.

3.11 Publicity

In addition to details being contained on the Council's website, the scheme is advertised directly to benefit claimants, local welfare rights advisors, via social media or any other Council publication.

4 Monitoring

The Assessment Team will monitor the amount and types of awards made. This monitoring information will be available for management and Members at any time, and any other relevant persons or organisations with whom data can be shared within appropriate legislation and guidance.

In addition, the Department for Works and Pensions carries out monitoring on the number of awards made to each funding stream: general Discretionary Housing Payment, Local Housing Allowance changes, Benefit Cap and Under Occupancy.

5 Financial Implications

The total Government funding allocation for England and Wales in 2023-24 will be £100 million.

The Council's funding is set at £145,121.00.