



Sandwell Metropolitan Borough Council
Revenues and Benefits Service
Discretionary Housing Payment Policy (DHP)

2022/23

Meeting Ambition 10



POLICY STATEMENT

Sandwell MBC's objective is to treat every application for a Discretionary Housing Payment (DHP) on its individual merits.

1. INTRODUCTION

Discretionary Housing Payments were introduced in July 2001 and the Local Authority is responsible for administration of the DHP scheme.

A DHP may be awarded where the Local Authority determines that a Housing Benefit or Universal Credit claimant requires further financial help towards their housing costs.

A DHP can be awarded to help cover:

- Shortfalls between the rental liability and payment of Housing Benefit or payment of Universal Credit (Housing element)
- One off DHP award to help towards removal costs
- One off DHP award to help with rent deposits
- One off DHP award for rent in advance.

Effective operation of the DHP scheme contributes to Sandwell Councils 2030 vision.

2. GENERAL PRINCIPALS / REGULATIONS

The Discretionary Financial Assistance Regulations 2001 (SI 2001/1167) ensures the DHP scheme covers the introduction of Universal Credit.

3. PROCESS FOR SERVICES

The purpose of this policy is to specify how Sandwell Revenues and Benefits Service will operate the scheme and to indicate some of the factors that will be considered when deciding if a DHP can be awarded. Each case will be treated strictly on its own merits and all claimants will be treated equally and fairly when the scheme is administered.

The Revenues and Benefits Service is committed to working with the local voluntary sector, social landlords and other interested parties in the Borough to maximise entitlement to all available state benefits and this will be reflected in the administration of the DHP scheme. The Revenues and Benefits Service operates within the Council's anti-poverty strategy and is committed to the equitable operation of a DHP scheme.

3.1 Statement of objectives

The Revenues and Benefits Service will consider making a DHP to all claimants who meet the qualifying criteria as specified in this policy. In administering the scheme the Revenues and Benefits Service will give consideration to the guidance produced by the Department for Work and Pensions. The Revenues and Benefits Service will treat all applications on their individual merits and will seek through the operation of this policy to:

- Alleviate poverty
- Support vulnerable young people in the transition to adult life
- Help and encourage residents to sustain and maintain housing
- Prevent and reduce homelessness
- Keep families together
- Support the vulnerable in the local community to maintain their health and wellbeing
- Support disabled people living in significantly adapted accommodation – including any adaptations made for disabled children; and foster carers, whose housing benefit is reduced because of a bedroom being used by, or kept free for, foster children
- Help claimants through personal crisis and difficult events

- Assist persons within the area who qualify for Housing Benefit or Universal Credit Housing Element to move or obtain premises more suitable to their requirements
- Support people affected by welfare reform changes;

The Revenue and Benefit Service considers that the DHP scheme should be seen as short-term financial assistance. It is not and should not be considered as a way around any current or future entitlement restrictions set out within the Housing Benefit or Universal Credit Legislation.

3.2 Main Features of the DHP scheme:

- The scheme is discretionary; a claimant may be entitled if the criteria is satisfied.
- The amount that can be paid out by the Local Authority in any financial year is cash-limited by the Secretary of State.
- DHP's are not a payment of Housing Benefit / Universal Credit. However the claimant must have an entitlement to Housing Benefit / Universal Credit (Housing Element) for the weeks that a DHP is being considered for
- There is a need for financial assistance.

3.3 DHP scheme cannot cover:

The following elements of a claimant's rental charge or shortfall in Housing Benefit / Universal Credit (Housing Costs) that cannot be met by a DHP are:

- Ineligible charges: service charges that are not eligible for Housing Benefit/Housing Costs cannot be covered by a DHP.
- Sanctions and reductions in benefit.
- Suspended payments of Housing Benefit / Universal Credit Housing Costs element
- Shortfalls caused by Housing Benefit / Universal Credit Housing Costs overpayment recovery.
- Universal Credit reclaims of payments on account
- Council Tax Reduction.

3.4 What is a shortfall

A shortfall between the rental liability and payment of Housing Benefit or payment of Universal Credit (Housing element) can occur due to:

- The rent determined by the Rent Officer / Local Housing Allowance being lower than the claimant's eligible rental liability
- Under occupation charge being applied due to the size of the claimant's household
- Reduction in Local Housing Allowance rates for under 35's
- The 65 per cent taper being applied to a claimant Housing Benefit entitlement
- A non-dependant deduction being made to the claimant's eligible rent
- The Benefit Cap has been applied
- The Family Premium being removed (From April 2016)
- The limitation of dependant's addition being applied (from April 2017)
- Where the claimant can demonstrate that they are unable to meet the housing costs from their available income

3.5 How to Claim a DHP

A claim for a DHP must be made via the online claim form on www.sandwell.gov.uk. Verification of information will normally be required.

3.6 Commencement of a DHP Award

The start date of an award is determined by the Revenues and Benefits Service and can be either:

- The Monday following the date that the claim for a DHP is received by the Revenues and Benefits Service.
- The date on which entitlement to Housing Benefit/Universal Credit including housing costs element commenced.
- The date on which the need arose.

3.7 Period of a DHP Award

In all cases, the Revenues and Benefits Service will decide the length of time for which a DHP will be awarded on the basis of the evidence supplied and the circumstances of the claim.

- The minimum period for which the Revenues and Benefits Service will award a DHP is one week.

- The Revenues and Benefits Service will usually award a DHP for not less than 3 months or 13 weeks where it is to meet a shortfall.
- The Revenues and Benefits Service will not normally award a DHP for a period exceeding 12 months.
- Where a claimant is disabled, living in specially adapted accommodation the Revenues and Benefits Services recognise that it may be appropriate to make long-term DHP awards, exceeding 12 months

3.8 Award a DHP

Decisions regarding an award of DHP will be reported to the Director of Finance.

In deciding whether to award a DHP, the Revenues and Benefits Service will consider the following:

- The shortfall between Housing Benefit/Universal Credit housing costs element and the rent liability
- Any steps taken by the claimant to reduce their rental liability
- The financial and medical circumstances (including ill health and disabilities) of the claimant, their partner and any dependants and any other occupants of the claimant's home
- The income and the essential expenditure of the claimant, their partner and any dependants or any other occupants of the claimant's home
- Any savings or capital that might be held by the claimant and/or partner
- The level of indebtedness of the claimant and/or partner
- The nature of the claimant's and/or partner's circumstances
- The amount allocated up to the cash limit set by the Secretary of State at the time of the application
- Any other special circumstances brought to the attention of the Revenues and Benefits Service.

When calculating the claimant's and partner's income Disability Living Allowance (both care and mobility components), Attendance Allowance, Personal Independent Payments and Carers Allowance will be fully disregarded.

Additionally, where any claimant, partner or dependant are in receipt of any of the above benefits and the DHP application is as a result of a reduction in the Housing Benefit due to an Under Occupancy Charge (commonly known

as the bedroom tax) a DHP may be awarded equal to the bedroom tax reduction (i.e. 14% or 25% of the eligible rent).

The Revenues and Benefits Service will decide how much to award based on the individual circumstances. This may be an amount below the difference between the rent liability and the Housing Benefit/Universal credit housing costs element.

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.

3.9 Change in Circumstance

The claimant has a duty to notify the Revenues and Benefits Service of any change in their circumstances. They must report the change as soon as possible and not later than one month from the change occurring.

The Revenues and Benefits Service can revise a DHP award to take account of a change in circumstances at any time whether to the advantage or disadvantage of the claimant.

3.10 Payment of DHP

The Revenues and Benefits Service will decide the most appropriate person to pay based upon the circumstances of each case. This could include paying:

- The claimant
- Their partner (if resident in the household)
- An appointee
- Their landlord (or an agent of the landlord)
- Any third party to whom it might be most appropriate to make payment.

The Revenues and Benefits Service will pay an award of DHP by the most appropriate means available in each case. This could include payment by but is not restricted to:

- Electronic transfer (e.g. BACS);
- Crediting the claimant's rent account.

Where the DHP award is made on an on going basis the payment frequency will normally be aligned to the Housing Benefit/Universal Credit payment cycle.

3.11 Notification of the DHP award

The Revenues and Benefits Service will normally inform the claimant in writing of the outcome of their application within 14 days of receipt of all information. Where the application is unsuccessful, the Revenues and Benefits Service will set out the reasons why this decision was made and explain the right of review. Where the application is successful, the Revenues and Benefits Service will notify the claimant of:

- The weekly / Monthly amount of DHP that has been awarded
- The period of the award
- The requirement to report any change in circumstances

3.12 The Right to seek a review

DHP decisions are not Housing Benefit/Universal Credit decisions and are therefore not subject to the statutory dispute mechanism. All Councils are expected to set up an appropriate review process.

The Revenues and Benefits Service will operate the following policy for dealing with requests to review a refusal of a DHP award, the decision to award a reduced amount of DHP, the decision not to backdate a DHP or a decision that there has been an overpayment of a DHP.

- A claimant (or their appointee or agent) who disagrees with a DHP decision may dispute the decision. A dispute must be made in writing to the Revenues and Benefits Service within one calendar month of the written DHP decision being issued.
- Upon receipt of a dispute the DHP request will be re-considered by an officer who was not involved in the first decision and notify the claimant of the outcome in writing.
- As part of the dispute process Revenues and Benefits Services may feel it appropriate to offer the claimant an explanation of the DHP decision by telephone, at interview or in writing in order to seek to resolve the matter. Where agreement cannot be reached a re-consideration will be carried out.
- This review will be carried out by the Revenues and Benefits Service Appeals team. Their decision will be final with no other right of appeal.

- Where the claimant is still not satisfied, the decision may only be challenged via the judicial review process or by complaint to the Local Government Ombudsman.

3.13 DHP overpayment recovery

The Revenues and Benefits Service will seek to recover DHP's found to be overpaid.

When considering recovery of overpaid DHP's the Local Authority will also consider retrospective awards of Social Security Benefits which may affect the amount of DHP award.

The recovery will usually 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 a Sandwell official error will be sought.

Under no circumstances will recovery be made from any amounts of Housing Benefit/Universal Credit due to the claimant (except if the claimant requests this method of recovery specifically in writing). The decision letter that notifies a decision that there is an overpayment will also set out the right of review.

3.14 Publicity

The Revenues and Benefits Service will publicise the scheme and will work with all interested parties to achieve this. A copy of this policy statement will be made available for inspection and will be posted on the Sandwell Council website. Information about the amount spent will not normally be made available except at the end of the financial year.

3.15 Fraud

The Revenues and Benefits Service is committed to identifying and subsequently investigating suspected fraudulent claims to benefit and DHP. Individuals who falsely declare their circumstances in order to claim DHP will have committed a criminal offence, which may lead to criminal proceedings being instigated.

3.16 Reporting

On a monthly basis a report detailing all DHP applications received, decisions made and DHP fund available is forwarded to the Director of Finance for approval.

4. POLICY REVIEW

The policy will be reviewed annually, or sooner if appropriate, to take account of operational adjustments and or changes to legislation.

5. EQUALITIES

An equality assessment has been carried out on this policy in line with the Council's obligation to the Public Sector Equality Duty provided by the Equality Act 2010. No adverse impact on any protected characteristic has been identified as a result of this policy.

However, due to the discretionary nature of decision making the Revenues and Benefits Service will randomly sample decisions made to ensure consistency