



WOKINGHAM BOROUGH COUNCIL

DISCRETIONARY HOUSING PAYMENTS POLICY 2021 - 2022

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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

The scheme is funded by the Government and the Council may top this up by two and a half times the government contribution from its own funds. Wokingham Borough Council has been awarded an initial amount of £132,323, which will be reviewed and topped up by Government at mid-year based on caseload data. Government funding was £239,158 for 2020/21 for the full year, the maximum amount of funding for 2021/22 will be in the region of £186,000. The Council does not normally intend to make any top ups from its own budgets although may consider if it is appropriate to do so. However, for 2021/22, the council has reserved an amount of £20,000 from its own funds, should additional spend be required.

This policy has been designed with consideration of The Human Rights Act 1998 and The Equality Act 2010.

Local Picture

Since 2013, Wokingham Borough Council (the Council) 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.

The responsibility for DHP is contained within the portfolio of the Executive Member for Finance and Housing.

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.

By providing an additional financial resource, DHPs will complement the running of the Council's Rent in Advance/Deposit Loan Scheme that is administered by the Housing Needs Team

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, downsizing as a result of Social Sector Size Criteria deductions)

- 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.

In recognition of the current economic situation due to the COVID 19 pandemic, the council will aim to be as flexible as possible while still adhering to this policy and DWP guidance.

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 and will apply from 11th May 2021 onwards, until changed.

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.

In addition to the detail stated on page 4 of this policy, DHP awards can be made to cover:

- Moving costs – to assist in moving to more suitable or affordable accommodation
- Rent in Advance – to secure a new affordable tenancy.

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.

3.2 Applying for a Discretionary Housing Payment

- The adopted DHP scheme will be advertised directly to benefit claimants, to welfare rights organisations and will be on our website, where an application form can be downloaded. Consideration will also be given to undertaking wider publicity, for example, through Borough News and Housing Matters. DHPs will complement the objectives of the Rent Deposit Scheme (operated by Housing Needs Team) and the Council's Health and Well-Being Strategy.
- 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:

- be entitled to Housing Benefit, or Universal Credit that includes a housing element towards housing liability,
- 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,
- have an assessed weekly income no more than 110% of assessed weekly essential expenditure,
- 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. Bullet 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

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 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 claim 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 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.

3.6 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.

3.7 Right to Appeal

DHPs are not subject to any formal statutory appeals process.

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

If the claimant is dis-satisfied they can appeal within 1 calendar month of the decision being made, where it will be reviewed by a specialist 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 appeal 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.

3.8 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.

3.9 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.

3.10 Publicity

In addition to details being contained on the Council's website, the scheme is advertised directly to benefit claimants and to local welfare rights advisors.

Application forms are available to be downloaded via the Council website or will be issued in response to any request received by email, telephone, in person or in writing.

Consideration will also be given to undertaking wider publicity through Borough News, Housing Matters or any other Council publication.

4 Monitoring

The Assessment Team will monitor the amount and types of award 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 amount 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 2021-22 will be £140 million (compared to £180 million for 20/21). An initial amount of £100m will be allocated at the start of the year using each Council's individual funding amount for 2020-21 as a starting point. This will be reviewed at mid-year 2021-22 and the reserved fund of £40m

will be allocated based on the latest caseload data. The Council's initial funding is set at £132,323 (compared with £239,158 for 2020/21) and the maximum funding is estimated to be in the region of £186,000.

It remains difficult to assess the level of take up each year, but it is anticipated that claims and payments during the continued COVID 19 pandemic may rise. However, the council has allocated a reserve fund of £20,000 to be available if the need should arise. The position will be closely monitored and reviewed.