



**Finance and Corporate Resources
Finance Services
Benefits and Revenues**

Discretionary Housing Payment Policy

August 2017

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1. Purpose of Policy

- 1.1 The purpose of this policy is to explain how South Lanarkshire Council will operate the Discretionary Housing Payment (DHP) scheme and to indicate some of the factors which will be considered when deciding if a DHP can be made.

2. Background

- 2.1 On 2 July 2001, the Department for Work and Pensions (DWP) introduced the DHP scheme which granted local authorities powers to make discretionary awards to assist claimants in receipt of Housing and Council Tax Benefit who were experiencing difficulty in meeting housing costs.
- 2.2 Housing costs included rent payments, Council Tax payments, rent deposits, rent in advance, and removal costs. Since April 2013, when Council Tax Benefit was replaced with Council Tax Reduction, DHPs can no longer assist with Council Tax payments.
- 2.3 The legislation governing the DHP scheme can be found in the Discretionary Financial Assistance Regulations 2001 (S1 001/1167).
- 2.4 The DWP has revised the DHP Guidance Manual and Good Practice Guide to take account of the major changes to the welfare system contained within the Welfare Reform Act 2012. This policy also takes account of these changes and reflects the content of the revised guidance.
- 2.5 The changes introduced by the DWP as part of the Government's welfare reform programme will result in a much greater demand for the DHP Scheme, as customers face the financial impact of these changes. South Lanarkshire Council recognises this and will aim to assist those in greatest need. The council will ensure that, albeit within tight budgetary constraints, consideration is given to awarding a DHP to those customers adversely affected by the changes.

3. DHP Budget

- 3.1 Scottish Government allocates funding to local authorities on an annual basis. Each local authority is awarded their own individual allocation of funding.

4. Objectives of the DHP Scheme

4.1 The objectives of the DHP scheme are to:

- Alleviate poverty
- Encourage and sustain people in employment
- Sustain tenancies and prevent homelessness
- Safeguard residents in their own homes
- Help those who are trying to help themselves
- Keep families together
- Support the vulnerable in the local community
- Help customers through personal and difficult events
- Support young people in the transition to adult life
- Promote good educational outcomes for children and young families

5. Features of the Scheme

5.1 DHP payments are not payments of Housing Benefit.

5.2 Housing Benefit or Universal Credit (that includes a housing element) must be in payment before a DHP can be awarded and there must be a shortfall between the Housing Benefit or Universal Credit (housing element) award and the amount of contractual rent.

5.3 Payments are discretionary and claimants do not have a statutory right to payment.

5.4 DHP payments are made from a cash limited fund and, as such, in the main, can only provide a short-term temporary method of assistance. However, each case will be looked at on an individual basis to determine the length of award. Long term awards will be considered depending on the claimant's circumstances and Scottish Government guidance.

6. What DHPs can be considered for

6.1 DHP's can be considered as a method of assistance for people subject to:

- Financial hardship.
- A shortfall between the amount of rent a claimant has to pay and the Local Housing Allowance (LHA) rate upon which their entitlement to Housing Benefit/Universal Credit is based.
- Housing Benefit/Universal Credit restrictions as a result of the under occupancy rules from April 2013.
- Housing Benefit/Universal Credit restrictions as a result of the Benefit Cap from 2013.
- A shortfall in rent payments due to non-dependant deduction(s) in place.

The above list is not exhaustive.

6.2 DHPs can be made to cover rent deposits, rent in advance, or removal costs.

7. What DHPs cannot be considered for

7.1 DHPs cannot be considered for:

- Ineligible service charges (i.e. charges which cannot be covered by Housing Benefit such as heating charges, meal charges and support costs)
- Increases in rent due to outstanding rent arrears (i.e. where a tenant has to increase rent payments to repay outstanding rent arrears).
- Reductions in Housing Benefit due to sanctions or overpayments.
- Rent payments where Housing Benefit is suspended.

8. DHP Decision Making Process

8.1 The decision to award a DHP is made by Finance and Corporate Resources.

8.2 In making a decision on a request for a DHP, South Lanarkshire Council will:

- Treat all claimants fairly and equally.
- Look at each case on an individual basis and award payment strictly on merit (the DHP budget must be considered).
- Liaise with internal and external stakeholders to ensure maximisation of benefit.
- Work with internal and external stakeholders to consider alternative options.
- Consider the shortfall between Housing Benefit or the housing element of Universal Credit and contractual rent.
- Encourage private sector claimants to pursue a reduction in their rent liability where possible.
- Consider the possibility of a move to alternative cheaper accommodation.
- Consider the overall financial circumstances of the claimant.
- Take into account medical circumstances of the claimant or other member(s) of the household, such as ill health and disability.
- Take into account any vulnerability on the part of the claimant or member(s) of their household.
- Consider any fact which might prevent the claimant from moving to alternative cheaper accommodation, including the feasibility of a move.
- Take into account any unavoidable high costs such as fares for hospital treatment/visits or therapeutic costs.
- Consider available DHP budget.

8. DHP Decision Making Process (contd)

- 8.3 South Lanarkshire Council will ensure that all agencies supporting customers are made aware of the funding available and how it can be utilised to support their client group.

9. Period of Award

- 9.1 The period of award will be based on the individual circumstances of the claimant while taking the budgetary position into consideration.
- 9.2 The minimum period of award will normally be one week with the maximum period 12 months.
- 9.3 The DHP scheme should not be relied upon to provide a long-term solution to financial hardship. However each case will be looked at on an individual basis to determine the length of award.

10. Changes of Circumstances

- 10.1 The claimant has a duty to notify South Lanarkshire Council of any relevant changes in circumstances which might affect entitlement to DHP (e.g. increase in income or capital, and changes to household composition).
- 10.2 South Lanarkshire Council may revise a DHP award where the claimant's circumstances have changed.
- 10.3 South Lanarkshire Council may recover a DHP award where it has been established that due to a change in circumstances there is no longer an entitlement, and an overpayment of DHP has been identified.

11. DHP Application

- 11.1 A DHP application can be made by the claimant or someone acting on their behalf through the council's online process. Where applicants are unable to either use the online process themselves and do not have a representative to be able to complete it on their behalf then the council will provide assistance directly to them.
- 11.2 South Lanarkshire Council may request any reasonable evidence in support of a request for a DHP.
- 11.3 South Lanarkshire Council reserves the right to verify any information or evidence provided in appropriate circumstances.

12. Method of Payment

12.1 South Lanarkshire Council will decide on the most appropriate person to pay based on the circumstances of each case.

12.2 This may include:

- The claimant
- The claimant's partner
- An appointee
- The claimant's landlord or agent
- Any third party to whom it might be most appropriate to make payment

12.3 South Lanarkshire Council will make a decision on the method of payment and will ensure payment is made by the most appropriate means in each case. Methods of payment include payment direct to the claimant's rent account for council tenants or payment into a bank account for private claimants.

13. Notifying DHP Decisions

13.1 South Lanarkshire will notify the claimant in writing of the outcome of their DHP request within 14 days of receipt.

13.2 The notification will set out the reasons for the decision and will explain what action the claimant should take if they disagree with the decision.

13.3 The notification will advise where appropriate:

- The amount of DHP
- When it will be paid
- The period of award
- How and to whom it will be paid
- The requirement to report a change in circumstances
- Information on who to contact for further help or advice

14. Disputes Process

14.1 DHPs are not subject to a statutory appeals process as they are not payments of Housing Benefit.

14.2 A claimant may disagree with the decision in writing and the council will provide full written reasons for the decision and provide the claimant with advice

15. Fraud

15.1 South Lanarkshire Council is committed in its fight against fraud. A claimant who attempts to fraudulently claim a DHP by falsely declaring their circumstances, and providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968 or the Fraud Act 2001.

15.2 Where the council suspects that such a fraud may have occurred, the matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

16. Publicity

16.1 South Lanarkshire Council will publicise the scheme and will work with all interested parties to achieve this. A copy of this policy statement will be made available on the council's website which at www.southlanarkshire.gov.uk