**Chichester District Council**

# **Discretionary Housing Payments Policy 2024 - 2025**

This document sets out the Policy of Chichester District Council regarding the award of Discretionary Housing Payments (DHP’s) from 1st April 2024 to 31st March 2025. The budget allocated by the Department for Work and Pensions (DWP) for this period is £145,722. The Council is committed to supporting residents of the district who are financially vulnerable, therefore it has allocated additional funding to top-up DHP funding by 2.5 times. This means that for 2024-25 the Council has a budget of £364,305 available for DHP’s.

It is the Government’s intention that residents take positive steps to improve their financial situation through finding work, increasing the hours that they work and/or move to more suitable and cheaper accommodation where possible. Therefore, DHP payments should be a short-term solution to alleviate financial hardship while residents seek to improve their overall financial situation. The supporting you team are available to residents who wish to receive help and support in improving their overall financial position.

1. **Background and Purpose**

This Policy is underpinned by the Discretionary Financial Assistance Regulations 2001 (DFA Regulations). These Regulations are supported and guided by the Department for Work and Pensions.

<https://www.gov.uk/government/publications/discretionary-housing-payments-guidance-manual/discretionary-housing-payments-guidance-manual> .

Each case will be treated strictly on its own merits and all customers will be treated equally and fairly.

The Benefits Service is committed to working with local stakeholders and teams within the Housing and Communities Directorate to ensure that those across the district who are eligible receive all the financial support and assistance that they are entitled to. If further support is needed the customer will be signposted, including referrals for housing advice where appropriate and referrals into the Council’s supporting you team.

The Benefits Service will consider making a DHP to customers who demonstrate a need for further financial assistance with their housing costs. In consideration with other Council Policies and Strategies this Policy aims to:

* Alleviate poverty
* Prevent homelessness and thereby reduce the need and use of temporary accommodation for homeless households
* Encourage and sustain employment
* Safeguard residents in their homes
* Help those that are trying to help themselves
* Keep families together
* Support the vulnerable in the community
* Help customers through personal difficulties and events
* Assist those in sustainable adapted accommodation
* Support those providing foster care
* Supporting residents moving to more sustainable accommodation
1. **Basic eligibility criteria**

DHP can only be awarded to customers who are in receipt of Housing Benefit or Universal Credit (which includes a housing element for rental costs).

DHP’s can cover the following, but are not limited to:

* + Reductions in Housing Benefit or Universal Credit where the Benefit Cap has been applied
	+ Reductions in Housing Benefit or Universal Credit due to the Maximum Rent (social sector) Size Criteria
	+ Reductions in Housing Benefit or Universal Credit because of Local Housing Allowance restrictions
	+ Rent Officer restrictions, such as Local Reference Rent or shared accommodation rate
	+ Non-dependant deductions in Housing Benefit or housing cost contributions in Universal Credit
	+ Rent shortfalls to prevent a household becoming homeless whist alternative accommodation is being sought.
	+ One off housing costs such as rent in advance and deposits, generally where other funding such as the councils tenancy deposit scheme cannot be secured
1. **Exemptions from DHP**

There are certain elements of an applicant’s rent that cannot be included in housing costs for the purpose of DHP. These are:

* Ineligible service charges
* Increases in rent due to outstanding rent arrears
* Housing benefit that has been suspended
* Certain sanctions and reductions in benefit
1. **Applying for a DHP**

The regulations require that there must be a claim for DHP before the Local Authority can consider making an award. Applications should be made online where possible, although an application will be considered in another format where required i.e., over the phone, email or by referral from a third-party team such as housing or social prescribers where online is not possible.

Where a request is made for a one-off payment for a deposit, rent in advance or assistance with arrears the customer it is recommended that the customer seek advice from the Council’s Housing Advice team prior to making an application, this allows for the tenancy deposit scheme operated by the Council to be given consideration and for housing advice to be given where appropriate. Therefore, it is recommended that applications be made as soon as possible and at least two weeks prior to the need for a one-off payment.

**Considerations in awarding a DHP**

In deciding whether to award a DHP, the Council will consider:

* + The impact of welfare reforms (Benefits Cap, Social Sector Size Criteria, reduction in local housing allowance rates) The shortfall between Housing Benefit and the rental liability (net of any ineligible charges)
	+ The steps taken by the customer to reduce their rental liability
	+ Any unavoidable overlap of rental liability on two homes
	+ The financial and medical or social needs and circumstances of the customer, their partner, and any other persons in the household
	+ Any savings or capital held by the customer or family members
	+ The level of indebtedness of the customer and family
	+ Any exceptional circumstances of the customer or family members
	+ Any special reasons which make it necessary or especially desirable for the customer to occupy the dwelling in respect of which the liability arises
	+ The probable consequences of rent arrears for the customer or family members, especially if any of them are vulnerable by reason of age, sickness, or disability
	+ Any action taken by the landlord to recover arrears of rent
	+ The amount available in the Discretionary Housing Payment budget or within the limits of the permitted total
	+ The possible impact on the Council of not making an award, e.g., the pressure on priority homeless accommodation
	+ The cost and availability of suitable alternative accommodation within the district
	+ The cost of moving prohibiting the customer from moving to suitable affordable accommodation
	+ Parents whose children do not live with them The Council recognises the difficulties faced by parents who regularly look after children normally living with the other parent or who hope to make such arrangements. The benefit system does not provide for this situation. The Council will therefore only rarely be able to assist with discretionary payments, mainly where existing arrangements are threatened by difficulties that are likely to be short-lived.
	+ Any reason why a household cannot move immediately for reasons such as health, education, or child protection.
	+ Any other special circumstances brought to the officer’s attention.
1. **Awards**

DHP’s should not undermine the purpose and nature of the HB or UC scheme nor should they support irresponsible behaviour. Low priority will be given to assisting people who take on housing costs which because of the nature, location or price of the property are unaffordable and unsustainable from the start. However, all applications will be treated on their own merits, balancing the overall cost to the Council against the needs of the applicant.

1. **Period of award**

The policy intention of DHP’s is to provide short term support to alleviate financial hardship (average awards are made for 12 weeks) enabling the applicant to take steps to improve their circumstances in the longer term.

However, some individuals will have circumstances that require longer term awards, particularly where there is no prospect of a short-term improvement to an individual or families’ circumstances e.g., where mental health is exacerbated by the repeated application process or where the cost of moving exceeds the ongoing commitment to making a long-term award, particularly where a property has been significantly adapted to accommodate a disability.

1. **Making payments**

The DHP will be added to the HB payment and paid in the same cycle as the award of HB, in most circumstances this is four weekly in arrears. For UC customers payments will be made 4 weekly in arrears by BACS transfer, or by a frequency that is most appropriate in the circumstances.

1. **One off payment of DHP**

Awards can be made to meet a one-off housing cost, such as a deposit or rent in advance. This will generally be if the customer cannot be assisted through the Councils Tenancy Deposit Scheme or they are not due to have a deposit or rent in advance returned to them from a previous tenancy. Generally, a DHP for a rent deposit will only be made if the landlord places the deposit in a government approved tenancy protection scheme. Further information can be found at <https://www.gov.uk/tenancy-deposit-protection>

Generally, a one-off payment will be made direct to the landlord or removal company, however in exceptional circumstances a payment direct to the customer may be considered.

One off payment for accessing accommodation with Registered Social Landlords will be limited to an amount equivalent to one week’s rent. Where possible applications should be made in advance to allow the Council time to negotiate with the Registered Provider if appropriate and in exceptional circumstances the Council may make an additional award if securing the accommodation is in the best interests of the applicant and the only option available to secure the accommodation.

1. **Notification of award**

The benefits service will inform the customer of the outcome of their application. Where the application is unsuccessful, the decision maker will set out the reasons why it has been refused and detail the right of review. Where the application is successful the notification will advise:

* The weekly amount of DHP awarded
* The period of the award
* How, when and to whom the award will be made
* The duty to report a change in circumstance
* Any conditions attached to the award, such as demonstrating that steps have been taken to secure alternative accommodation. If these conditions are not met a further application for an award may be refused.
1. **Change of circumstances**

The Council may need to revise an award of DHP where the customer’s circumstances have changed. If a change in circumstance results in a revision of an award the customer will be notified in writing as described above.

1. **Overpayments**

If there is an overpayment of a DHP the Council will decide whether it is appropriate to seek recovery. Recovery may be made from any future award, or by raising an invoice for payment. Where an overpayment has occurred, the customer will be notified in writing detailing the reason for the overpayment, the amount and how the Council intends to recover the amount.

1. **Right of review**

There is no formal right of appeal against decisions made in relation to DHP’s. However, where a request for a review is made consideration will be given as to whether the decision is correct, who carries out this review depends on whether the customer presents new facts.

Where new evidence or new facts are provided there is no requirement for a different officer to review the decision. However, where no new facts are presented, the decision will be reviewed by a different decision-making officer. In either case the customer will be advised of the outcome of the review in writing, where unsuccessful explaining the reasons for the decision.

If a further dispute is made the matter will be further reviewed by a senior decision maker within the Benefits Service Area. If the decision remains unchanged at this stage a letter explaining the decision will be issued. This letter will also explain that Judicial Review proceedings are the only further remedy and direct the customer to seek advice from a third party (usually Citizens Advice Bureau) in this respect.

1. **Fraud**

Where the Council believe that a customer has obtained an award of DHP by making a dishonest representation it may consider further action in accordance with the Fraud Act 2006.

1. **References**

[www.legislation.co.uk/uksi/2001](http://www.legislation.co.uk/uksi/2001)

<https://www.gov.uk/government/publications/discretionary-housing-payments-guidance-manual/discretionary-housing-payments-guidance-manual>

1. **Contact**

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