

Corporate Policy and Strategy Committee

10.00am, Tuesday, 6 December 2016

Discretionary Housing Payments (DHP) Policy

Item number	7.5
Report number	
Executive/routine	
Wards	All

Executive summary

The Discretionary Housing Payments (DHP) Policy presented to the Corporate Policy and Strategy Committee on 5 August 2014 stated that the DHP Policy would be reviewed when required.

As a result of national welfare reform initiatives the following policy changes are proposed:

- a) To change the DHP category for mainstream households affected by the benefit cap from 'will pay' to 'may pay'. The benefit cap is a limit on the total amount of income from certain benefits a household can receive. If citizens receive more than the benefit cap allows then their Housing Benefit will be reduced in line with the cap. The DHP fund is insufficient to fully mitigate this change in all cases; and
- b) When assessing financial need, the Council will exclude any income already disregarded for Housing Benefit purposes which are paid to disabled persons i.e. Disability Living Allowance and Personal Independence Payments. In doing so the decision maker will also disregard any expenditure attributed to these incomes.

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Discretionary Housing Payments (DHP) Policy

1. Recommendations

- 1.1 It is recommended that the Corporate Policy and Strategy Committee approve the revised DHP policy attached at Appendix 1.

2. Background

- 2.1 The Council has discretion under Section 2(1) of the Discretionary Financial Assistance Regulations 2001, to provide financial assistance (discretionary housing payment), to persons who require financial assistance (in addition to benefit to which they are entitled) in order to meet housing costs. Housing costs are not defined in the regulations but can be interpreted as a claimant's eligible rent.
- 2.2 The Welfare Reform Act 2012 has introduced a range of reforms including a benefit cap, a reduction in Housing Benefit for under-occupation in social housing and Universal Credit, which will impact on the DHP Scheme.
- 2.3 A revised DHP policy was approved by City of Edinburgh Council in November 2013 in response to the Welfare Reform Act 2012. This was amended in August 2014. As a result of the extension of the benefit cap by Central Government, it has been necessary to review the DHP policy to ensure prudent financial management of the fund.
- 2.4 The key aims of the DHP policy are to prevent hardship and to protect families and vulnerable people by sustaining tenancies and to prevent homelessness.

3. Main report

- 3.1 The DWP's 2016/17 DHP allocation for Edinburgh is £1.45m.
- 3.2 The Scottish Government's anticipated allocation of £3.25m brings the estimated total DHP fund to £4.7m for 2016/17.
- 3.3 The Scottish Government's contribution to the DHP fund provides for full mitigation of under occupancy charges in social sector households and cannot be used to mitigate the impacts of other welfare reforms.
- 3.4 As a result of national benefit cap revisions and fairness of process, the following changes to the Council's DHP policy are proposed:

Benefit Cap

- 3.5 The benefit cap is a limit on the total amount of income from certain benefits a household can receive. If citizens receive more than the benefit cap allows then their Housing Benefit will be reduced in line with the cap. For a couple or single person with children the benefit cap is currently £500 per week. The limit for single people with no children is £350 per week. From autumn 2016 this has reduced to £384 for a couple or single person with children and £258 for a single person. Where households are affected by the benefit cap and in mainstream accommodation, these will no longer be automatically mitigated and will now be considered under the 'may pay' category on a case by case basis.

Citizens receiving Disability Benefits

- 3.6 When carrying out the assessment of financial need, the Council will exclude any income already disregarded for Housing Benefit purposes which is paid to disabled persons i.e. Disability Living Allowance and Personal Independence Payments. In doing so, the decision maker will also disregard any expenditure attributed to these incomes.
- 3.7 The overarching objective of the DHP policy is that each application is considered on its own merit and it is ensured that the principles of fairness, reasonableness and consistency are adhered to in all cases. The above policy changes are designed to simplify elements of the DHP process, while maintaining its overall objectives and ensure the fund is financially managed to support the most vulnerable citizens in Edinburgh.

4. Measures of success

- 4.1 The success of the DHP policy will be measured through customer satisfaction with awareness of availability, advice and advocacy services provided by the DHP team through application of the DHP policy. This includes increased benefit take up and minimised losses by ensuring people get their maximum entitlement to Housing Benefit.

5. Financial impact

- 5.1 The increasing numbers of people experiencing hardship has led to a significant increase in demand for DHP. There has been a requirement to considerably increase administration resources to ensure that the funds are appropriately and fairly distributed.

6. Risk, policy, compliance and governance impact

- 6.1 The Council will ensure that as far as possible all customers are made aware of the availability of DHP, and that all agencies supporting customers are made aware of the funding available and how it can be utilised to support their client group. The DHP policy will be published on the Council's website.
- 6.2 A Quality Assurance Framework operates within the Benefits service area. This Framework ensures that at least 4% of all decisions are checked for accuracy on a random sample basis. The results from the samples are reported back to Team Managers and Development staff within the area, where action is taken to avoid a recurrence.

7. Equalities impact

- 7.1 The UK Government has prepared Equalities and Human Rights assessments for the welfare reform proposals. The Council will undertake an EHIRA when necessary for any of its proposals.

8. Sustainability impact

- 8.1 Welfare Reform is expected to have general implications for environmental and sustainability outcomes, for example, in relation to fuel poverty.

9. Consultation and engagement

- 9.1 Ongoing consultation has been undertaken with housing providers to make them aware of the impacts related to the benefit cap and the inability to fully mitigate this.
- 9.2 Work is being undertaken in partnership with DWP to support citizens' transition through this change by providing budgeting advice and support to gaining employment. As well as this advice agencies are working to ensure that citizens who have been incorrectly classified as being liable to the cap are supported to have this corrected.

10. Background reading/external references

- 10.1 http://www.edinburgh.gov.uk/download/meetings/id/44069/item_no_72_-_discretionary_housing_payments_dhp_policy

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Single Outcome Agreement

SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health

Appendices

Appendix 1 – Discretionary Housing Payment Policy

City of Edinburgh Council – Discretionary Housing Payment Policy (DHP)

Implementation date:

Control schedule

Approved by	
Approval date	
Senior Responsible Officer	Neil Jamieson
Author	Sheila Haig
Scheduled for review	November 2017

Version control

Version	Date	Author	Comment
0.1	05/08/2014	D Gallacher	
0.2	07/11/2016	S Haig	

Committee decisions affecting this policy

Date	Committee	Link to report	Link to minute
05/08/2016	CP&S		

Discretionary Housing Payment Policy

Policy Statement

- 1.1 Discretionary Housing Payments (DHP) were introduced as a result of the Discretionary Financial Assistance Regulations 2001. DHPs are not payments of benefit but payments to be made at the discretion of the City of Edinburgh Council (the Council) for those that are having difficulty in meeting their housing costs. However DHPs cannot meet expenditure which is not eligible for benefit.
- 1.2 DHPs are administered by the Local Authority (the Council) and funded by allocated amounts received from Department of Works and Pensions (DWP) and Scottish Government.
- 1.3 The Discretionary Housing Payments (Limit on Total Expenditure) Revocation (Scotland) Order 2014 revokes the limit of DHP spend in Scotland and its effect is that there is no limit imposed on the expenditure of DHPs in Scotland from the financial year commencing 1 April 2014.
- 1.4 This policy document provides a framework for outlining circumstances under which DHPs may be awarded. All applications will be considered on a case by case basis and awards will be made at the discretion of the Council, with the exception of those which are made to mitigate the Social Sector Size Criteria. The examples given are not exhaustive and other circumstances will be considered.

Policy Aims and Objectives

- 2.1 To distribute equitably the DHP funding to benefit claimants that meet the qualifying criteria, and to promote the following Council objectives:
 - Prevention of homelessness;
 - Alleviating poverty;
 - Sustaining tenancies and safeguarding residents in their homes;
 - Preventing hardship;
 - Supporting vulnerable young people in the transition to adult life;
 - Supporting young people to achieve good educational outcomes;
 - Encouraging residents to seek and sustain employment;
 - Keeping families together;
 - Supporting domestic abuse victims who are trying to move to a place of safety;
 - Supporting the work of foster and kinship carers; and
 - Support disabled people remain in adapted properties

2.2 The City of Edinburgh Council will ensure that as far as possible all customers are made aware of the availability of DHP and that all agencies supporting customers are made aware of the funding available and how it can be utilised to support their client group.

2.3 The DHP policy will be published on the Councils website.

Scope

3.1 In order to be considered for a DHP the claimant must:

- be in receipt of Housing Benefit or Universal Credit (with Housing Element): and
- have a rental liability; and
- have a shortfall between the amount of benefit being received and the amount of rent that is due to be paid; and
- be having difficulty in meeting the shortfall in their rental liability; or
- be having difficulty in meeting rent deposit or rent in advance.

Policy Content

When DHP will be Paid

4.1 Those affected by Social Sector Size Criteria (under occupancy) will have their reduction in Housing Benefit mitigated by DHP award on application. The Scottish Government contribution to Edinburgh's DHP fund is intended to mitigate this aspect of welfare reform only and as such cannot be used to mitigate any other impacts of reforms.

When DHP May Be Paid

4.2 The following examples outline circumstances where DHP applications will be considered but not guaranteed. The list is not exhaustive and all applications will be considered on a case by case basis:

- Where a claimant is chronically sick or disabled;
- Where a claimant is experiencing hardship;
- To cover the reasonable costs of renting a particular type of accommodation to suit a particular need;
- Where a member of the household moves out of the property and this reduces the household's bedroom entitlement;
- Where a household is affected by the benefits cap;
- To facilitate a move to a different area where support is available from family members or friends and it is clear the support is essential to the household;

- To cover the rent shortfall of accommodation which is either too big or too expensive, where the tenancy started at a time when the claimant could easily afford the rent without help from Housing Benefit;
- To facilitate a move to a smaller or more affordable home that would allow the household to cover their housing costs.

When DHP Will Not Be Paid

4.3 DHP will not be paid to a claimant under the following circumstances:

- Where a tenancy was not affordable when taken on (except in exceptional circumstances where no other reasonable alternative was available);
- Where benefit fraud has been committed;
- To reduce water and waste-water charges;
- Where a benefit is in payment is subject to a reduction direction, sanction or suspension;
- To cover a reduction in Housing Benefit resulting from a Housing Benefit overpayment which is being recovered from ongoing entitlement;
- To cover service charges which are ineligible for Housing Benefit;
- Where an increase in rent has been made by the landlord to cover rent arrears;
- Where non dependant deductions that are not being paid by the non dependant (except in exceptional circumstances);
- DHPs will not be awarded simply because a claimant is in debt. However a view will be taken on the type, reason and level of debt and the actions that the claimant has taken to repay the amounts outstanding. Claimants will be expected to take a reasonable attitude towards debt and only borrow what they can reasonably repay. Claimants must be seen to be making regular payments before help from the DHP fund would be considered appropriate and should take Money Advice;
- Where the tenant is entitled to another benefit that they are not already claiming.

Level and Period of Award

- 4.4 For categories 5.0 above, the level and period of award will be based on the individual circumstances of the applicant;
- 4.5 In the case of a shortfall the amount of DHP will not exceed the weekly eligible rent;
- 4.6 In the case of lump sum payments, no period will apply but due regard will be given to the DHP funding available, for example a rent deposit;
- 4.7 Payment may be made to the applicant, agent, appointee, and landlord or directly into the rent account;

- 4.8 Payment of DHP will stop if an applicant fails to disclose a material fact or obtained the funds under false pretences or the payment was made in error;
- 4.9 Claimants are required to notify the Assessment and Finance Team of any change in their circumstances. The level and period of award of DHP will be reviewed if there is a change in the circumstances of the claimant and payments will be reduced or stopped if no longer required.

Assessment of DHP

- 4.10 The Council will consider a wide variety of circumstances when deciding if DHP will be paid. The Council will assess a claimant's income and expenditure against the key aims of the policy, which are, preventing hardship and protecting families and vulnerable people by sustaining tenancies to prevent homelessness.
- 4.11 The Assessment and Finance Team will consider increasing the claimant's declared expenditure, when appropriate, prior to assessing the claim;
- 4.12 The City of Edinburgh Council reserves the right to advise the claimant to reduce expenditure if it is unreasonably high. It may also be reasonable to expect the claimant to reduce expenditure on non-essential items, such as mobile phones, cable/satellite television, cigarettes, alcohol and entertainment. However the personal circumstances of the claimant will be considered when determining if this expenditure is non-essential. Advice will also be provided on the appropriate agencies/contacts to assist claimants with managing their money;
- 4.13 When carrying out the assessment of financial need, the Council will exclude any income already disregarded for Housing Benefit purposes which are paid to disabled persons i.e. Disability Living Allowance and Personal Independence Payments. In doing so the decision maker will also disregard any expenditure attributed to these incomes.

Backdating an Award

- 4.14 Each backdated claim will be reviewed on its own merits and the claimant should explain the reason for the delay in making the DHP claim;
- 4.15 DHP can only be considered for a period when the claimant was in receipt of Housing Benefit or Universal Credit (with Housing Element).

Recovery of Overpaid DHP

- 4.16 The City of Edinburgh Council will recover all overpaid DHP unless the award was due to Local Authority error.

How to Apply for DHP

- 4.17 Requests for DHP for Social Sector Size Criteria can be made by emailing dhp@edinburgh.gov.uk or phoning 0131 608 1111 or online at www.edinburgh.gov.uk . A full application is not required.

Request for all other DHP can be made online at www.edinburgh.gov.uk
Citizens that do not have access to online facilities can email dhp@edinburgh.gov.uk, or phone 0131 608 111 and assistance will be provided to complete an application.

- 4.18 The claimant will be notified in writing of their award.

The Right of Review

- 4.19 There is no statutory right of appeal against a DHP decision. The applicant (or their appointee or agent) who disagrees with a DHP decision may request a review of that decision from the Assessment and Finance Team;
- 4.20 A request for a review must be made in writing within one calendar month of the written decision about the DHP being issued to the benefit claimant.
- 4.21 An officer from the Assessment and Finance Team who was not involved in the original decision will consider the request for the review;
- 4.22 The reviewing officer will notify the customer of their decision in writing
If on receipt of the decision the claimant continues remains unhappy, then they can make a complaint under the Councils Corporate Complaints Procedure;
- 4.23 A claimant may also have recourse to a judicial review.

Monitoring Arrangements

- 4.24 The Benefits Assessor when making a decision to award DHP will record the following information about the award:
- 4.25 If the claimant been affected by one of the key welfare reforms, namely: the benefit cap, social sector size criteria, Local Housing Allowance reforms or a combination of the reforms;
- 4.26 The total amount paid to the claimant;
- 4.27 The intended outcome of the award, for example, to help with short term rental costs until the claimant secures alternative accommodation or to help with ongoing rental costs for a disabled person in adapted accommodation;
- 4.28 A monthly report detailing the level of DHP applications received, the

decisions made and the level of DHP committed for the financial year will be forwarded to the Benefits Manager for monitoring purposes, and to ensure that the statutory limit is not exceeded;

- 4.29 The level of spend will form part of the Councils monthly budget monitoring of Housing Benefit and will also be included in the bi monthly report on Welfare Reform to the Corporate Policy and Strategy Committee.

Related documents

- 5.1 [http://www.edinburgh.gov.uk/download/meetings/id/44069/item_no_72 -
discretionary housing payments dhp policy](http://www.edinburgh.gov.uk/download/meetings/id/44069/item_no_72_-_discretionary_housing_payments_dhp_policy)

Equalities impact

- 6.1 The UK Government has prepared Equalities and Human Rights assessments for the welfare reform proposals. The Council will undertake an EHRA when necessary for any of its proposals.

Sustainability impact

- 7.1 Welfare Reform is expected to have general implications for environmental and sustainability outcomes, for example in relation to fuel poverty. To mitigate the more negative impacts of welfare reform, The Council is working in partnership with various agencies to support transition of citizens through welfare reform.

Risk assessment

- 8.1 The Council will ensure that as far as possible all customers are made aware of the availability of DHP and that all agencies supporting customers are made aware of the funding available and how it can be utilised to support their client group. The DHP policy will be published on the Council's website.
- 8.2 A Quality Assurance Framework operates within the Assessment and Finance Team area. This framework ensures that at least 4% of all decisions are checked for accuracy on a random sample basis. The results from the samples are reported back to Team Managers and Development staff within the area where action is taken to avoid a recurrence.

Policy Review

- 9.1 The City of Edinburgh Council's DHP policy will be reviewed annually or sooner if appropriate by the Customer Manager, Transactions – Assessment and

Finance and the Councils Corporate Policy and Strategy Committee will be asked to approve any material changes.