

**Revenues and Benefits**

**Discretionary Housing Payment Scheme**



This review is an updating of the scheme of August 2015 previously used by Newcastle City Council Revenues and Benefits Team in the assessment and award of Discretionary Housing Payments.

## **Introduction**

Discretionary Housing Payments were introduced on 2 July 2001. The scheme replaced exceptional hardship and exceptional circumstances payments.

Discretionary Housing Payments were introduced by the Discretionary Financial Assistance Regulations 2001 (SI 001/1167).

The main features of the scheme are:

- The scheme is purely discretionary
- There is no statutory right to a Discretionary Housing Payment
- Discretionary Housing Payments are subject to an annual cash limit set by the Secretary of State
- Operation of the scheme is the responsibility of the Council
- The administration of the scheme will be carried out by the Benefits Team
- Discretionary Housing Payments are not payments of Housing Benefit
- Discretionary Housing Payments are not part of the existing Housing Benefit scheme
- In order to qualify for a Discretionary Housing Payments towards rent there must be a corresponding award of Housing Benefit or Universal Credit Housing Costs

Discretionary Housing Payments cannot be made in respect of the following:

- Ineligible service charges
- Water, sewerage and environmental services
- An increase in rent due to outstanding rent arrears
- Reductions in Income Support, Job Seekers Allowance or Employment Support Allowance due to certain sanctions
- Any amount of benefit suspended in relation to Housing Benefit or Universal Credit
- Credit Housing Costs  
They cannot be used to cover any shortfall due to on-going Housing Benefit overpayment recovery

The Department for Work and Pensions' Good Practice Guide March 2011 outlines best practice and provides further details on the definition of housing costs. The guide also states that housing costs can be interpreted more widely to include the following:

- Rent in advance
- Deposits
- Other lump sum costs associated with a housing need. For example, removal costs

Due to the limited funds available we will refrain from taking these costs into account when determining Discretionary Housing Payment eligibility. In such cases we

will continue to refer our customers to more specialist providers. For example, The Rent Deposit Scheme administered by the Newcastle Private Rented Project, Welfare Rights / Money Matters, Citizens Advice Bureau and the Credit Union.

### **Revenues and Benefits Team Assurance**

Revenues and Benefits is committed to treating all customers that make an application for a Discretionary Housing Payment fairly and transparently. Each application will be considered strictly on its own merits and in consideration with the customer's sustainability of their tenancy. We are also committed to maximising benefit take up for all welfare benefits and this will be reflected in the operation of the Discretionary Housing Payment scheme.

### **Council Tax Reduction**

From 1 April 2013 the Council Tax Benefit scheme was abolished and replaced by a local scheme for Council Tax Support, this is known as the Council Tax Reduction Scheme and from 1 April 2013 there will be no provision in legislation for Discretionary Housing Payments to be made towards Council Tax liability.

### **The Scheme**

Our objectives are in line with Council's priorities, to reduce inequalities by protecting the most vulnerable in our City: -

- Safeguard people's housing/tenancies
- Sustain vulnerable households
- Prevent homelessness
- Alleviate poverty
- Encourage/sustain people in employment
- Help those trying to help themselves
- Keep families together
- Support the vulnerable in the local community
- Help people through personal crises and difficult events
- Support young people in the transition to adult life

### **Our priority groups in receipt of Housing benefit or Universal Credit Housing Costs that reflect the following:**

1. Removal of spare room subsidy (RSRS) (longer- term awards):
  - Disabled people living in substantially adapted accommodation
  - Foster carers
  - Claimants requiring more than one-bedroom for disability living arrangements, domestic violence cases, joint and weekend custody arrangements and unique individual cases where moving people into smaller properties will not meet their needs without significant cost/investment.

- Claimants' circumstances changing within 12 to 18 months meaning that the RSRS is no longer applicable.
2. Removal of spare room subsidy (RSRS) (shorter-term awards):
    - Eviction and rent arrears cases where claimants engage and commit to our Newcastle Futures programme to find work, to train to be work ready or if not will consider where appropriate rehousing options
  3. Benefit cap claimants (shorter-term awards)
  4. Those affected by single room rents and LHA change (shorter-term awards)
  5. Shorter term exceptional hardship awards

The criteria above are supported by income/expenditure assessments for each application to keep within budget.

Renewals are usually only awarded where claimants engage or demonstrate how they have tried to improve their circumstances.

### **Application for a Discretionary Housing Payment**

An application for a Discretionary Housing Payment must be made in writing, where possible, either by letter, email or on the Council's Discretionary Housing Payment form or online.

The following rules apply:

- An application for a Discretionary Housing Payment can be made on our website
- Evidence to support an application for a Discretionary Housing Payment will be required
- Requests for evidence will need to be made writing within 14 days of receipt of the application and customers will be given one month to provide the information or the application will be closed
- Customers will be required to provide a financial statement in support of their application
- Customers may also be asked to demonstrate how they will make improvements in their financial circumstances and be referred for budgeting advice
- Customers may also be asked to demonstrate how they have attempted to secure cheaper suitable alternative accommodation

### **Awarding a Discretionary Housing Payment**

When assessing the amount of Discretionary Housing Payment, we will consider:

- The shortfall between the award of Housing Benefit or Universal Credit housing costs and the rental liability
- Steps taken by the customer to reduce their rental liability
- The financial and medical circumstances of the customer, their partner and any dependants and other occupants in their home
- The income and expenditure of the customer, their partner and any dependants or other occupants of their home
- Any savings or capital held by the customer or their family Any debts of the

customer and their family

- The Discretionary Housing Payment funding available at the time of the application
- The impact on the customer should the Benefit Team not make an award
- Any special circumstances of the customer and their family
- Awards of Discretionary Housing Payments are not guaranteed to be renewed indefinitely.

Discretionary Housing Payments will be paid to customers on the understanding that it is reasonable for them to make efforts to improve their financial circumstances or seek assistance independently. We will sign post customers towards this assistance. More than one award of Discretionary Housing Payments will only be considered if customers can demonstrate the steps, they have taken to do improve their situation. If customers are unable to do this and there are extenuating circumstances further consideration will be given to renewing their award.

### **Period of award**

The Revenues and Benefits team will decide the length of an award by considering the facts available in each application.

The start date of an award will usually be:

- The Monday following receipt of a written request or application or
- The date of entitlement to Housing Benefit where a written request or application has been received within one month of the award of benefit
- the effective date of the change of circumstances which prompted the Discretionary Housing Payment request
- Where reasonable, a Discretionary Housing Payment may be awarded for a past period depending on the request or application and the amount of funding available.

The minimum period for an award of a Discretionary Housing Payment will be one week and the maximum period of an award will usually be 26 weeks.

We will consider requests for backdating an award of a Discretionary Housing Payment. However, backdating will usually be limited to 26 weeks.

Successful applications will be notified in writing.

The amount of the award may be all or part of the shortfall in the rent depending upon individual circumstances.

As a condition of the award, we will advise customers to take steps to improve their circumstances where possible and sign post them for independent help, for example:

- if the shortfall in rent is due to rent officer or Local Housing Allowance restrictions, the customer may consider looking for reasonable cheaper alternative accommodation. They may register with Your Homes Newcastle, local

Registered Social Landlords and Housing Associations or other housing providers such as the Newcastle Private Rented Project

- where a customer has outstanding debts, we will signpost them to seek assistance from relevant organisations such as Your Homes Newcastle Advice and Support Team, Welfare Rights Money Matters or Citizens Advice Bureau.
- Customers will be encouraged to change spending patterns where possible, for example reducing expenditure on non-essential luxury items such as satellite or cable TV, mobile phones and cigarettes
- where customers have high fuel bills, they will be referred to Warm Up North for support and advice on reducing their bills

## **Renewal of Discretionary Housing Payments**

At the end of a Discretionary Housing Payment award period, the customer may be invited to make a renewal application. In this application the customer will be expected to demonstrate steps they have taken to improve their situation and or comply with any conditions made as part of the initial award as outlined in their notification letter.

If the customer cannot provide evidence to support this renewal award of a Discretionary Housing Payment may not be granted.

Where the customer has complied with any conditions of the initial award, this does not automatically mean that a second award will be made. Each award will be assessed on its own merits and any further award will depend on the amount of funding available as well as the number of other applications received and the highest priority cases.

At the end of the second award a further Discretionary Housing Payment award may be made in exceptional circumstances, this again depends on the amount of funding available as well as the number of other applications received and the highest priority cases. There is no guarantee that any subsequent awards will be made automatically. Consideration will be given to on-going disabilities or medical conditions preventing customers from being able to secure alternative suitable accommodation.

## **Change of circumstances**

All customers receiving a Discretionary Housing Payment must report any change in their circumstances immediately.

The Revenues and Benefits Team may revise or withdraw the award following a change in circumstances, or at any other time it is practical to do so.

## **Method of payment**

The Revenues and Benefits Team will decide on the most appropriate person to pay. Your Homes Newcastle tenants will receive payments directly onto their rent account. Private tenants or landlords will be paid by BACS transfer. In extreme circumstances customers may be paid by cheque however these customers will be given advice on how to open a bank account.

## **Notification**

Customers will be notified of their award usually within 14 days of receiving all the evidence to support the application.

If the application is unsuccessful, we will give the reasons for the decision and explain the customer's right to request a review.

## **Review of the Decision**

As Discretionary Housing Payments are not payments of benefit there is no right of appeal to be heard by an Appeals Tribunal. However, in support of fairness to the customer the Revenues and Benefits Team will carry out an independent internal review on the following decisions: -

- Not to award a Discretionary Housing Payment
- The level of a Discretionary Housing Payment
- Refusal to backdate a Discretionary Housing Payment
- Recovering an overpayment of a Discretionary Housing Payment

Customers or their appointees must make a request for a review in writing within one month of the notification giving their reasons for requesting a review.

Where possible the decision will be explained to the customer. If agreement cannot be reached a Service Support Officer will reconsider the decision. The customer will be notified in writing of the result of the review.

Where the customer still disagrees with the decision, they may request a further review. This must be requested in writing within one month of being notified of the result of the reconsideration. The further review will be undertaken by a panel of Senior Officers within the Revenues and Benefits Team who have not been directly involved in the original decision.

## **Budget Review**

The Discretionary Housing Payment budget will be reviewed on a monthly basis by Corporate Revenues and Exchequer Manager.

Depending upon the funds remaining, future Discretionary Housing Payment awards may be capped.

## **Overpayments**

The Revenues and Benefit Team will seek to recover any overpayment of Discretionary Housing Payment where the customer or their action has contributed to the overpayment.

Recovery may involve one of these methods:

- Recovery direct from a customer's Local Authority rent account
- Issuing an invoice to the customer or the person to whom the payment was made

## **Fraud**

The Revenues and Benefits Team is committed to detection and prevention of fraud. Customers who deliberately make a false claim for a Discretionary Housing Payment will be investigated which may lead to criminal proceedings.

## **Preventative Support**

The Revenues and Benefits Team will where possible use intelligence from Crisis Support to align it with the Discretionary Housing Payment provision which will assist to ensure that support is available for those who are vulnerable.

Where the client has existing care arrangements, or they are part of a support programme the Revenues and Benefits Team will refer the client to the most appropriate service.

In the course of consulting on the development of the crisis support and the supporting independence scheme it was established that care and support providers do not want a standalone preventative service, however there is a need for care and support providers to be regularly updated on changes to benefits and given access to financial inclusion services.

This fits with "hub" concept central to the development of the Active Inclusion Team that involves coordinating a range of services that identify and support people to respond to an prevent repeat crisis, see below





### **Equal Opportunities**

Newcastle City Council is committed to promoting equality and valuing diversity in both service delivery and employment. Care has been taken in drafting this procedure to ensure that the Council does not unjustifiably discriminate against any minority group.

Every effort will be made to ensure that the needs of individual customers and employees are met in relation to these procedures.

All written correspondence and notification letters produced as a result of this scheme are available in different languages, in Braille or in large print or other formats on request. Customers will be encouraged to seek assistance from a third party when necessary.