

DUNDEE CITY COUNCIL

REPORT TO: POLICY AND RESOURCES COMMITTEE

REPORT ON: DISCRETIONARY HOUSING PAYMENTS (DHPs)

REPORT BY: DIRECTOR OF CORPORATE SERVICES

REPORT NO: 72-2013

1.0 PURPOSE OF REPORT

- 1.1 This report is to inform the Elected Members on the revised Discretionary Housing Payment (DHP) Policy administered by the Revenues Division.

2.0 RECOMMENDATION

- 2.1 It is recommended that the Committee:
- i. approve the revised policy (Appendix1);
 - ii. note the budget provision of £461,904 in 2013/2014 for DHP payments; and
 - iii. approve the establishment of 3 temporary posts of Grade 5 to process applications for DHPs and a temporary increase in hours of a team leader post Grade 9 from part time to full time for a 2 year period.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The Department of Works & Pensions (DWP) increased its UK DHP funding in 2012-2013 to assist with welfare reforms in the private sector.
- 3.2 From April 2013 the DWP have increased funding by a further £30m to assist with under occupation in social housing and a further £65m for the cap on benefits. The total UK funding for DHP's for 2013/2014 is £155m.
- 3.3 The level of funding allocated to the council for 2013/2014 is £311,904 with an overall permitted spending limit of £779,760.
- 3.4 The Council has agreed to the provision of an additional budget of £150,000 to be added to the DWP allocation of £311,904 to be spent on DHPs.
- 3.5 The costs associated with the establishment of the 3 temporary posts and the temporary increase in hours mentioned above, are £82,887 for financial year 2013/2014 and £84,697 for financial year 2014/2015. This will be funded by utilising additional grant monies received from the DWP along with a departmental underspend in 2013/2014 which will be set aside and carried forward for this purpose.

4.0 DHP POLICY

- 4.1 The DHP Policy has been reviewed to acknowledge the recent Local Housing Allowance (LHA) reforms, the forthcoming Welfare Reform changes, which include:-
- the introduction of a benefit "cap" on the total amount of benefit that a household can receive;
 - a property size criteria in respect of the social rented sector;

and the effects that these changes have had and will have on the HB entitlement of the citizens of Dundee.

4.2 The main changes to the previous policy are:-

- to recognise the number of people affected by the forthcoming Welfare Reform changes and the council's inability to assist all those who apply and meet the criteria to be awarded a DHP;
- Council Tax Benefit has been replaced by a Council Tax Reduction Scheme from April 2013 and DHPs can no longer be awarded to help with Council Tax liability.

4.3 Furthermore, whenever possible, the council will support the following groups of people to remain in their current property:-

- disabled people living in adapted accommodation or where they reasonably require this additional space as a result of their disability and, who will find it difficult to move to suitably sized alternative accommodation;
- Foster and Kinship Carers whose HB entitlement is reduced because of a bedroom(s) being used by, or kept free for, children in care.

4.4 Illustrative examples of the circumstances under which DHPs would be awarded can be found at Appendix 2.

5.0 STAFFING PROPOSALS

5.1 Currently, DHPs are administered by a team whose primary responsibility is dealing with Housing Benefit (HB) and Council Tax Benefit (CTB) appeals, preparing submissions and representing at Tribunal Service. As a result of the expected increase in workload in respect of both applications for DHPs and appeals, it is proposed that 3 additional posts be established and the hours of a part time team leader be increased to a full time equivalent, for a temporary period of 2 years. This will be funded by utilising additional grant monies received from the DWP along with a departmental underspend in 2013/2014 which will be set aside and carried forward for this purpose.

6.0 POLICY IMPLICATIONS

6.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Risk Management and Equality Impact Assessment. The Equality Impact Assessment which has been carried out will be made available on the Council's website <http://www.dundee.gov.uk/equanddiv/equinpact/>. There are no major issues.

7.0 CONSULTATION

7.1 The Chief Executive and the Head of Democratic and Legal services have been consulted in the preparation of this report.

8.0 BACKGROUND PAPERS

8.1 Equality Impact Assessment.

M M Stewart Director of Corporate Services	Date:	
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DISCRETIONARY HOUSING PAYMENT POLICY

Background

Discretionary Housing Payments (DHPs) were introduced in July 2001. The general provisions for DHPs are contained in Regulation 2 to the Discretionary Financial Assistance Regulations 2001. These Regulations grant Local Authorities the power to administer the DHP scheme.

The Department for Work and Pensions (DWP) provide funding annually to Local Authorities (LAs) to assist those people claiming Housing Benefit (HB) who require further financial assistance with their housing costs and who meet the qualifying criteria as specified in this document. In addition, Local Authorities are permitted to spend their own funds, up to 1.5 times the DWP allocation however, LAs are not permitted to exceed this total.

The scheme is discretionary and there is no statutory right to a payment. Each application will be treated strictly on its own merits taking in to account any relevant information provided by the applicant and the amount that can be paid out by the Council in any financial year.

As a result, the Council considers that the DHP scheme should be seen as short term assistance.

Policy Aims

The purpose of this policy is to update the previous DHP policy to take into account the recent Local Housing Allowance (LHA) reforms, the forthcoming Welfare Reform changes and the effects these changes will have on the HB entitlement of the citizens of Dundee. The document details how the Council will operate the scheme and highlights some of the factors that will be considered in the DHP decision making process.

Statement of Objectives

All DHP applications will be considered on their individual merits and will be treated equally and fairly to promote the Council's objectives and seek through the operation of this policy to:

- Sustain tenancies and assist in preventing homelessness;
- Assist households to move in to more affordable accommodation;
- Support the vulnerable residents of Dundee;
- Assist people through periods of financial difficulties or crises;
- Assist to alleviate poverty and prevent hardship;
- Encourage Dundee residents to seek and sustain employment;
- Assist households through personal crises and difficult events.

In particular, whenever possible, the Council will support the following groups of people to remain in their current property:

- Disabled people living in adapted accommodation or where they reasonably require this additional space as a result of their disability;
- Foster and Kinship carers whose HB is reduced because of a bedroom(s) being used by, or kept free for, children in care.

Claiming a DHP

- A claim for a DHP must be made on a claim form approved and issued by the Council;
- The Council may request any reasonable evidence in support of an application for a DHP;

- If the requested evidence is not provided, the Council will still consider the application however, any unsubstantiated statements may be disregarded or the Council may draw its own conclusions from other evidence available.

Awarding a DHP

Applications for a DHP can only be considered where:-

- The claimant is in receipt of HB during the period in question;
- There is a rental liability;
- The claimant requires further assistance with their housing costs; and
- There are sufficient funds within the DHP budget to allow payment.

DHPs can be made in respect of:-

Examples of when a DHP can be awarded are (list not exhaustive):-

- Where HB has been reduced as a result of the Benefit Cap;
- Where HB has been reduced as a result of under occupation in the Social Rented Sector;
- Where HB has been reduced as a result of LHA restrictions, including where claimants are under 35 years of age and their LHA is restricted to the Single Room Rent Rate;
- Where there is a shortfall between HB entitlement and a person's contractual rent;
- Where assistance is required on medical grounds.

DHPs cannot be made in respect of:-

Examples of when a DHP cannot be awarded are (list not exhaustive):-

- To help with Council Tax liability;
- Where deductions are being made from HB as a result of Income Support or Jobseekers Allowance sanctions;
- Where no rental liability exists;
- To cover ineligible service charges;
- Increases in rent due to outstanding rent arrears;
- Where HB has been reduced as a result of an anti-social behaviour sanction.

Period of Award

The Council will decide the period for which a DHP will be awarded.

- No award of a DHP will be made outwith any benefit period granted under the HB statutory scheme;
- Awards of DHP will normally be for a period not exceeding 6 months, after which the individual will be invited to reapply;
- Any reasonable request for backdating a claim for a DHP will be considered.

The Amount of DHP award

The level and period of award will be based on the individual circumstances of the applicant. In the case of a shortfall, the amount of DHP will not exceed the weekly eligible rent. One off payments may also be paid.

In considering a DHP claim, the following will be taken in to account (although the list is not exhaustive)

- The amount of HB in payment;
- The shortfall between HB and the eligible rent;
- The financial, social and medical circumstances of the claimant, partner or any other member of their household;

- Any savings or capital in excess of £3,000 that might be held by the claimant, partner or any member of their household;
- The level of indebtedness of the claimant and their family;
- Any exceptional circumstances associated with the claim;
- Whether any previous award(s) of DHP has been made; and if so the circumstances under which the award(s) was made;
- The availability of suitable alternative accommodation;
- The amount of money available within the Councils budget for any given year.

Payee and Method of Payment

The Council will decide to whom a DHP award will be made, taking into account the circumstances under which the award was deemed appropriate. Payees may include any of the following:

- The claimant;
- Their partner;
- An appointee;
- Their landlord (or agent of landlord);
- Any third party whom it may be appropriate to make payment.

Any award of DHP will be paid by whichever means the Council deems appropriate including the following:

1. Along with each payment of HB;
2. By offsetting the DHP against any other debt or liability the claimant or partner has to the Council, thereby reducing their indebtedness and therefore their expenditure.

The Council will decide in each case whether the DHP should be paid in advance or in arrears.

Changes of circumstances

Customers awarded a DHP must notify Dundee City Council of any change in their circumstances. The DHP may be revised due to this change.

Notification

The Council will inform an individual of the outcome of their DHP application in writing. Where the application has been unsuccessful, notification will contain the reasons for the decision.

Where an award has been made, the notification letter will contain the following information:

- The weekly amount of DHP award;
- The period of the award;
- How, when and to whom it will be paid;
- A summary of the reasons for award;
- A requirement to notify of any change of circumstances which may have an affect on the DHP award.

All notification letters will include information about what to do if an individual disagrees with a DHP decision.

DHP Review Process

DHPs are not payments of HB and are therefore not subject to the statutory benefit appeals mechanism, whereby disputes are decided by the independent statutory body of the Tribunal Service. Disputes will therefore be decided by the Council.

The Council will operate the following policy of dealing with disputes about DHPs:-

- A claimant (or their representative, etc.) who wants a further explanation of a DHP decision may request this in writing within 28 days of receipt of the decision;
- The claimant (or representative, etc.) may ask for a review of the decision within 28 days of receipt of the decision notice.

A dispute will be subject to review by a Senior Council Officer who has had no involvement in the original decision. The claimant (or representative, etc.) will be notified in writing of the outcome of the review. Further information in support of the review may be requested from the claimant or any other relevant source.

Overpayments

The Council will seek to recover DHPs found to be overpaid. This will be carried out by invoicing the *recipient*. A DHP overpayment will not be recovered where the Council made the award in error. A decision letter will be issued to the claimant (or representative etc.) to notify of any overpayment. A request for a review may be made against the decision. Requests for reviews relating to overpayments of DHPs will follow the DHP Review process as previously detailed.

Publicity

A leaflet providing information on the DHP scheme has been designed and will be available on the Council's website along with an application form. Staff are aware of the scheme and are encouraged to proactively advise and assist those people in need of further financial assistance with their housing costs to make an application for a DHP.

Monitoring

Details in respect of all DHP applications will be recorded, including information on applications which have been refused. An on-going monitor of DHP expenditure will be maintained to ensure that expenditure does not exceed the prescribed overall permitted total.

Fraud

Dundee City Council is committed to fighting fraud. Where an anomaly in HB entitlement is identified during the DHP decision making process and suspicions are raised in respect of the applicant's on-going entitlement to HB, details will be forwarded onto the Council's Benefit Counter Fraud Team. Any such cases will be investigated and the appropriate action taken, including the matter being referred to the Procurator Fiscal.

Examples of DHP awards

APPENDIX 2

1. Claimant A lives in a two bed property with her six year old son. The property is a private let with a weekly rent of £121.15.

Her weekly LHA entitlement is £103.85 (2 bed room rate) leaving a weekly shortfall of £17.30

Her income consists of Income Support, Child Benefit and Child Tax Credits.

Claimant A and her son previously lived abroad and have returned to Dundee after a traumatic separation with her ex partner. She advised that her son was very upset and traumatised when they returned to Dundee, but was now happy and had settled well in a local school.

Claimant A is looking for affordable alternative accommodation and has registered with the Council's housing department and local housing associations.

A DHP of £17.30 per week has been awarded for the period 12 November 2012 to 31 March 2013 amounting to £346.00, to give Claimant A time to find alternative affordable accommodation

2. Claimant B recently moved in to a two bed property (private let) with a weekly rent of £100.00 per week. She is only entitled to the 1 bedroom rate of LHA which is £76.15 per week, leaving a weekly shortfall of £23.85.

She is six months pregnant and when her baby is born she will be entitled to the two bedroom rate of LHA which will mean that her rent will be met in full.

Her income consists of Income Support.

A DHP of £23.85 per week has been awarded until Claimant B's baby is born.

3. Claimant C lives alone in a one bedroom property. The property is a private let with a weekly rent of £75.00. As he is under 35 years of age, Claimant A is only entitled to the single room rate of LHA which is £57.69 per week, leaving a weekly shortfall of £17.31. Claimant C will be thirty five in May 2013 at which time he will be entitled to the 1 bedroom rate of LHA which will mean that his rent will be met in full.

Claimant C has recently been informed that he has a terminal illness and although his family all live in England and he wishes to return there so they can care for him, he has been advised by his consultant that the medication he is receiving is not available in England. As a result, he has to stay here for the foreseeable future.

His income consists of Employment Support Allowance and Disability Living Allowance (Care) & (Mobility).

A DHP of £17.31 per week has been awarded to assist Claimant C through this difficult time and until he becomes entitled to the one bed rate of LHA.

4. Claimant D lives in a two bed room property with his son. His son has several health problems and his son's mother lives outwith Dundee. Claimant D and his son make regular trips to visit her, so that his son can maintain contact with his mother.

Claimant D has lived in this property since 01/07/2011 and was paying the rent himself. He claimed HB from 12 March 2012 and was entitled to full HB for the first 13 weeks of his claim under transitional protection rules.

Claimant D's income consists of Income Support, Child Benefit & DLA (Mobility & Care) for his son.

The property is a two bedroom private let with a weekly rent of £138.46. After the period of transitional protection, Claimant D is entitled to the two bedroom rate of LHA which is £103.85 per week, leaving a weekly shortfall of £34.61. He requires a property adapted to address the needs of his son.

A DHP of £34.61 per week has been awarded to Claimant D for the period 11 June 2012 to 31 March 2013 amounting to £1488.23, to give him time to find alternative affordable accommodation.