

# Southampton City Council

## Policy Document

### Discretionary Housing Payment and Discretionary Council Tax Reduction

This document sets out the policy of Southampton City Council regarding;

- Discretionary Housing Payment (DHP) for residents in receipt of Housing Benefit (HB) or Universal Credit (UC) that includes a housing element towards rental liability
- Discretionary Council Tax Reduction (DCTR) for residents in receipt of Council Tax Reduction.

It primarily provides guidance on who is eligible for a payment but also provides administrative guidance on claims, changes and appeals. Any reference to UC is where the claimant meets the above criteria, i.e. a housing element towards rental liability is included.

#### **Background and Purpose**

1. DHP is governed by the Discretionary Financial Assistance Regulations 2001. A payment may be made when the Council considers that additional help is required with people's housing costs. It may cover:
  - reductions in HB or UC where the benefit cap has been applied;
  - reductions in HB or UC for under-occupation in the social rented sector;
  - reductions in HB or UC as a result of local housing allowance restrictions;
  - rent shortfall to prevent a household becoming homeless whilst the housing authority explores alternative options;
  - rent officer restrictions such as local reference rent or shared room rate;
  - non-dependant deductions;
  - shortfall due to income tapers;
  - where a claimant, does not meet the criteria for a payment on two homes or HB prior to moving in under the normal rules.
2. DCTR forms part of the Southampton Council Tax Reduction Scheme (paragraph 29 (1) (A)). A payment may be made when the Council considers that additional help is required with meeting the council tax liability. It may cover:
  - the 25% reduction for people of working age.;
  - non-dependant deductions;
  - shortfall due to income tapers.
3. The aims of the Council in operating this policy are to:
  - alleviate poverty;
  - support vulnerable young people in the transition to adult life;
  - encourage and sustain people in employment;
  - safeguard residents in their own homes;
  - tenancy sustainment and homelessness prevention
  - help those who are trying to help themselves;
  - keep families together;
  - support the vulnerable in the local community;
  - help people through personal and difficult events;
  - support people back into work where they are able to do so.

## **Eligibility**

4. A claim is required. This can initially be in written format (including electronic), over the telephone or in person, however the customer must then complete the Council's application form to proceed with their claim. Assistance will be provided if needed.
5. The customer must provide the evidence requested on the form, or subsequently by The Council. This may include rent arrears, bank statements, household income, outgoings and debts.
6. If the customer is unable to or does not provide the required evidence, the Council will still consider the application. The Council take into account any other available evidence including that held on the housing benefit computer system. An application may be unsuccessful because a customer has failed to provide additional information without good cause.
7. Each case will be treated strictly on its merits and all customers will be treated equally and fairly. All relevant factors presented by the customer will be taken into account and only relevant factors will be considered.

## **Awarding a DHP**

8. In deciding whether to award a DHP, the Council will take into account:
  - the shortfall between HB or UC and the liability;
  - any steps taken by the customer to reduce his or her rental liability;
  - any rent in advance, fees and/or deposits paid;
  - other lump sum costs, for example removal costs;
  - the financial and medical circumstances (including ill health and disabilities) of the customer, his or her partner, any dependants and any other occupants of the customer's home;
  - the income and expenditure of the customer, his or her partner and any dependants or other occupants of the customer's home;
  - any savings or capital that might be held by the customer or his or her family;
  - the level of indebtedness of the customer and his or her family;
  - the exceptional nature of the customer and his or her family's circumstances;
  - the amount available in the DHP budget at the time of the application;
  - the scope to negotiate a lower rent;
  - the need to remain in the property in order to access to medical or support services;
  - the possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation following eviction;
  - any other relevant information brought to the attention of the Council.

## **Awarding a DCTR**

9. In deciding whether to award a DCTR, the Council will take into account:
  - the shortfall between the Council Tax Reduction (CTR) and the liability;
  - any steps taken by the customer to reduce his or her Council Tax liability;
  - the financial and medical circumstances (including ill health and disabilities) of the customer, his or her partner, any dependants and any other occupants of the customer's home;
  - the income and expenditure of the customer, his or her partner and any dependants or other occupants of the customer's home;
  - any savings or capital that might be held by the customer or his or her family;
  - the level of indebtedness of the customer and his or her family;

- the exceptional nature of the customer and his or her family's circumstances;
  - the amount available in the DCTR budget at the time of the application;
  - the need to remain in the property in order to access to medical or support services;
  - the possible impact on the Council of not making such an award;
  - any other relevant information brought to the attention of the Council.
10. DHP and DCTR form just part of the help available to people facing hardship. The Benefits Service will work with other Council departments, the local voluntary sector, social landlords and other stakeholders in the City to ensure customers can take full advantage of all forms of support, including state benefits, income maximisation advice and budgeting advice. The availability to the customer of alternative help will be taken into account when considering any award of DHP and DCTR.
11. DHP plus HB/UC must not exceed the rental liability. DCTR plus CTR must not exceed the council tax liability.

### **Period of award**

12. In all cases, the Council will decide the length of time for which a DHP and/or DCTR will be awarded on the basis of the evidence supplied and the facts known.
13. The minimum period for an award for a DHP is one week and for DCTR is one day. The length of award is discretionary and each case will be treated strictly on its merits.
14. The Council will normally award DHP and/or DCTR within the current financial year and not exceeding that financial period, subject to review.
15. The Council will consider any reasonable request for backdating an award, or may choose to backdate the award at their discretion (but it must be consistent with the award of HB/UC or CTR).
16. When there is a specific end date, the customer will be advised what the period of the award is.
17. The award can be given as support for a period to allow individuals time to improve their circumstances, or to move somewhere they can better afford.

### **Changes of Circumstances**

18. Many changes of circumstances that customers have a duty to report for HB/UC/CTR purposes may also be relevant to their continuing to get DHP or DCTR. The Council will use such information to review the level of support granted.

### **Method of Payment**

19. The Council will decide the most appropriate person to pay based upon the circumstances of each case. This could include paying:
- the customer;
  - his or her partner;
  - an appointee;
  - in the case of DHP, his or her landlord (or an agent of the landlord); or
  - any third party to whom it might be most appropriate to make payment.
20. An award of DHP will be paid by the most appropriate means available in each case. Usually this will be by electronic transfer (e.g. BACS) or a credit to the rent account. An award of DCTR will be credited the customer's Council Tax account

21. The payment frequency of DHP will normally match the frequency of the HB or for UC a period that matches rent frequency.

### **Notification**

22. The Council will inform the customer in writing of the outcome of his or her application(s), as soon as is reasonably practicable, whilst avoiding unnecessary delay and promoting consistency. Where the application is unsuccessful, the Council will set out the reasons why this decision was made and explain the right of review. Where the application is successful, the Council will advise:

- the weekly amount of DHP and or DCTR awarded;
- the period of the award;
- how, when and to whom the award will be paid;
- the requirement to report a change in circumstances.

### **The right to seek a review of a DHP**

23. DHPs are not payments of Housing Benefit or Universal Credit and are therefore not subject to the statutory appeals mechanism. However there is an appropriate internal review process.

24. The Council operates the following policy for dealing with requests for reviews. This includes cases where there is a:

- refusal to award a DHP
- decision to award a reduced amount of DHP;
- decision not to backdate a DHP; or
- decision that there has been an overpayment of a DHP.

25. A customer (or his or her appointee or agent) who disagrees with a DHP decision may dispute the decision. A request for a review shall be delivered in writing to the Council within one calendar month of the written decision about the DHP being issued to the customer.

26. The Council may also review a DHP decision in the event of a dispute either at the time of the initial rejection or subsequent to a cancellation or recovery.

27. On receipt of a review request the case will be reviewed by the Appeals Team Leader. They may ask for additional information to substantiate the claim when deciding the outcome of the review. If the original decision is upheld, an acknowledgement letter is sent to the claimant or third party advising that the case has been referred to the DHP panel for consideration. The DHP panel consists of representatives from the Client Team, the Welfare Rights and Money Advice Unit and a manager from Benefit Services.

28. The customer will be notified of the review outcome in writing with reasons as soon as is reasonably practicable.

29. The review decision will be final and binding and may only be challenged by judicial review or by complaint to the Local Government Ombudsman if there is an allegation of maladministration.

### **The right to appeal against a DCTR decision**

30. DCTR is part of the Southampton Council Tax Reduction Scheme and the customer has the same rights of appeal.

31. A customer (or his or her appointee or agent) who disagrees with a DCTR decision may dispute the decision. This must be in writing to the Council. There is no time limit for appeals.

32. The Council may also review a DCTR decision in accordance with the Council Tax Reduction Scheme.
33. On receipt of an appeal request the case will be reviewed by the Appeals Team Leader. They may ask for additional information to substantiate the claim when deciding the outcome of the appeal. If the original decision is upheld, an acknowledgement letter is sent to the claimant or third party advising that the case has been referred to the DHP panel for consideration. The DHP panel consists of representatives from the Client Team, the Welfare Rights and Money Advice Unit and a manager from Benefit Services.
34. The customer will be notified of the review outcome in writing with reasons as soon as is reasonably practicable and no later than 21 days after the appeal was received.
35. Where, following notification the customer is still aggrieved, or if the Council fails to notify the customer within two months of the appeal, they may appeal further to a valuation tribunal.

### **Overpayments of DHP**

36. The Council retains the authority to recover DHP overpayments and each case will be treated strictly on its merits or evidence of misrepresentation or failure to disclose a material fact, fraudulently or otherwise.

### **Excess DCTR awarded**

37. Where too much DCTR has been awarded the excess will be debited to the customer's council tax account.

### **Fraud**

38. The Council is committed to the prevention and detection of fraud. A customer who tries to fraudulently claim a DHP or DCTR by falsely declaring his or her circumstances, providing a false statement or evidence in support of their application, may have committed an offence. Where the Council suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.

Effective: 1<sup>st</sup> April 2015