



Warwick District Council – The Benefits Section
POLICY STATEMENT
Discretionary Housing Payment Scheme (DHP)

LEGISLATION

Primary Legislation: The Child Support, Pensions and Social Security Act 2000.

Regulations: Discretionary Financial Assistance Regulations 2001.

In addition, the Secretary of State has also released a Guidance Manual and Good Practice Guide in March 2018. Warwick District Council (WDC) has taken this into consideration when developing the Discretionary Housing Payment (DHP) policy.

BACKGROUND

In July 2001, a new scheme was introduced which granted all Local Authorities new powers to award a top up payment to the Housing and Council Tax Benefit statutory schemes. Following the abolition of Council Tax Benefit from April 2013, DHPs can no longer be made towards council tax liability. A customer who is receiving Council Tax Reduction, with no rental liability (e.g. an owner occupier) is not eligible to apply for a DHP. People looking for a DHP to help them move into the Warwick District area; must apply to the Local Authority where they are currently living. Financial support will only be given to those currently living in our area.

The DHP scheme can only cover shortfalls in housing costs. Every claimant who is entitled to the minimum amount of Housing Benefit (HB) or Universal Credit Housing Element (UC(HE)) and who has a shortfall is entitled to make a claim for help. The purpose of the scheme is to provide additional funds to assist claimants who are suffering from financial hardship or have exceptional circumstances; and need further assistance to meet their housing costs.

Awards of DHPs should focus on enabling people to secure, retain and pay for appropriate and sustainable accommodation during temporary difficulties. This is to reduce the risk of homelessness and support the stability of families and communities. The Authority may provide temporary assistance in the early months of a tenancy where a claimant has moved from a homelessness provision as this additional support is likely to increase the chances that the recipient will sustain a stable and secure home. WDC expects payments to be made in unusual or extreme circumstances where additional help with current rent or provision of a deposit will have a significant affect in alleviating hardship.

STATEMENT OF OBJECTIVES

The Benefits Section will consider making a payment of a DHP to claimants who meet the qualifying criteria. Before making an award the authority must be satisfied that the customer is entitled to:

- Housing Benefit; or
- Universal Credit (Housing Element); and
- has a rental liability; and
- requires further financial assistance with housing costs.

This policy is not intended to define the specific situations of when we will or will not make a discretionary payment, to do so would make the policy too rigid and may prevent payments being made where there are exceptional or unusual circumstances. Payments are expected to be made to meet current needs rather than past debts.

The Benefits Section has built up expertise and local knowledge which enables the Authority to profile their DHP budget to meet demand over the course of the year. Following welfare reform changes; it is predicted that demand is going to significantly increase and therefore, the Council will need to continue to review its DHP policy.

The Benefits Section will work to prevent homelessness and sustain tenancies through the operation of this policy to:

- Alleviate poverty.
- Encourage and sustain the district's residents in employment.
- Help those who are trying to help themselves.
- Keep families together.
- Prevent child poverty.
- Support the vulnerable in the local community.
- Help customers through a personal crisis/difficult event.
- Support households that are returning to work after a period of unemployment and provide assistance in the managing of their finances during the transition from coming off benefit and receiving wages and securing Working Tax Credit entitlement.
- Support those who are in affordable housing but at risk of becoming homeless due to being unable to meet their full rent liability due to severe financial difficulties from the effects of the current economic climate. Priority will be given to those tenants who have not made themselves intentionally homeless.

Housing costs are not defined in the regulations and this gives WDC a broad discretion to interpret the term. In general, housing costs means rental liability. However, housing costs can be interpreted more widely to include:

Rent in advance: WDC will consider rent in advance in exceptional circumstances as HB/UC(HE) is available for any period of rent liability. The limited monies available via the DHP fund makes it unlikely that the Council can afford to help in this way given its priority of helping people to remain in their current homes. When considering awarding rent in advance; the authority may take into account any HB payment due for the same period to ensure that duplicate payments are not made; even though HB is paid in arrears.

Benefit on two homes: Consideration should be given to the fact that when a claimant moves from one rented property to another rented property; they are eligible for HB on both of the properties if all of the following conditions are met:

1. Only for the period after they have moved into the new property;
2. Only if your rent liability for both properties could not reasonably have been avoided; and
3. Only for up to 4 weeks from the date of the move.

To get HB on both properties; the claimant must have moved into the new property. The claimant (and their family, if applicable) must be occupying the property as their home; rather than preparing it for occupation. However, a DHP can still be considered if there is a shortfall between the amount of HB/UC(HE) they get and the amount of rent they are liable to pay. However, it would be expected that the applicant moves to a home that they can afford and which meets their needs.

Claimants can in some circumstances be entitled to UC or HB on two homes if temporarily absent from their normal home for a period of up to 12 months. However, to qualify the claimant must intend to return to their normal home and that the intention must be capable of being realised. There is very clear guidance relating to benefit on two homes and the Benefits staff would ensure that the rules are complied with. If there is a shortfall between the amount of rent they have to pay and the amount of UC or HB they receive; a DHP can be considered on both properties to make up the shortfall.

Deposits: Instead of providing customers with short term assistance to enable them to maintain the rent payments on a home that they will never be able to afford without a DHP, the Council may decide that it would be better to help those customers to move to somewhere they can afford, by providing them with the help they require to pay the deposit. Local Housing Allowance (LHA) rates will be used in all cases as the ceiling for deposits. Checks will be made to ensure that a deposit is not available from an existing tenancy. However, the Council's Homeless Prevention Fund would usually be accessed first.

Removal Costs: A DHP may also be considered to assistance towards covering all or part of removal costs. To verify the cost of removal fees; quotes must be obtained from at least 3 suppliers to determine best value.

DHPs can play an important role in sustaining tenancies, preventing homelessness and, where needed enabling customers to move to more affordable accommodation. DHPs may cover all or part of a shortfall in a customer's eligible rent, deposit or other assistance a tenant may need in order to secure a tenancy. DHPs can be awarded as a one-off payment and/or as a series of payments.

The DHP reserve should be seen as an emergency fund. It is not and should not be considered as a way round any current or future entitlement restrictions set out under HB and UC legislation. DHPs are not generally intended to be used as a long term solution to the customer's financial difficulties. Instead, they should be used to provide short term assistance to ease transitions and allow households time to find a way of resolving their difficulties. Due to welfare reform changes and the limited DHP fund the Council may have to prioritise DHPs to those people considered to be in most need. Consequently, not all applications for DHPs will be successful.

The main features of the scheme are:

- The scheme is purely discretionary; a claimant does not have a statutory right to a payment.

- The amount that can be paid out by an Authority in any financial year is cash-limited by the Secretary of State.
- The administration of the scheme is for the Benefits Section to determine. The Council needs to consider how to allocate this limited DHP resource in a way that is not only fair, but also supports those that are in most need of assistance.
- DHPs are not a payment of HB or UC. However, the minimum amount of HB or UC must be in payment in the benefit week that a DHP is awarded for.

Shortfalls that DHP's can cover:

- Rent officer restrictions such as Local Reference Rents (LRR), Single Room Rent (SRR) size criteria or when the LHA does not meet the rent.
- Reductions in HB or UC entitlement following changes to the LHA rates.
- Non-dependant deductions. WDC recognises that the level of non-dependant deductions is likely to cause difficulties for some claimants, but it is expected that working non-dependants make a financial contribution.
- Income tapers.
- The regulations permit a person to have help through a DHP award with rent due on a property they have moved into when treated as temporarily absent from their home e.g. the claimant has moved due to domestic violence. If the customer is liable for the rent on both properties and in both cases there is a shortfall, a DHP could be awarded in respect of both properties subject to the weekly limit on each property.
- If the claimant is liable for payments on one dwelling but is having to pay rent on two, a weekly DHP could be made to assist with the temporary accommodation up to the level of the weekly eligible rent on the dwelling from which they are temporarily absent.
- Rent shortfalls to prevent a household becoming homeless whilst the Housing Service of the Council explores alternative options.

In addition to the above, DHPs can be used to provide support to customers affected by some of the key Welfare Reforms including:

- Reductions in HB or UC(HE) where the Benefit Cap has been applied. The intention of the Department for Work and Pensions (DWP) is that the majority of those customers affected by the Benefit Cap will move into work and therefore become exempt from the Cap. Some may choose to move, whilst others may consider other means by which they might be able to meet the shortfall; such as trying to negotiate a reduction in their rent or meeting the shortfall from other sources. To encourage more people to move into work; reduce benefit expenditure and tackle the deficit the Benefit Cap was further reduced in November 2016, limiting the total amount of benefit a household can get. If the claimant's income goes above the amounts detailed below; their HB or UC(HE) is reduced until their income falls below the limit relevant to their circumstances:

- £20,000 per year / £384.62 per week for families.
- £13,400 per year / £257.69 per week for single people.

It is hoped that this will promote even greater fairness between those on out of work benefits and tax payers in employment.

- Reductions in HB or UC(HE) for under-occupation in the social rented sector. The current rates as at 30 June 2019 are 14% reduction if under occupying by 1 bedroom and 25% for 2 or more bedrooms.
- Reductions in HB or UC as a result of LHA restrictions to the shared room rate for those customers who have not reached the age of 35.

As part of the Welfare Reform and Work Bill; further changes to welfare benefits means that the demand for a DHP may increase many fold. In the context of the national welfare reforms that are reducing levels of HB and UC(HE). The Authority expects to make payments to mitigate or delay the effects of those changes.

- From April 2016, most working-age benefits will be frozen for the next 4 years; including HB applicable amounts.
- UC work allowances will be reduced and removed altogether for non-disabled claimants without children. Indications are that single working claimants will be substantially worse off.
- Most welfare support provided to families is now limited to 2 children; subsequent children born will not be eligible for further support unless an exemption applies. This applies to HB, UC and Tax Credits (TC) where a new claim is made from April 2017.
- The removal of the Family premium.

DHP's cannot be used for help with:

- Ineligible service charges.
- Increases in rent due to outstanding rent arrears – where a claimant's rent is increased on account of outstanding arrears which are owed by the customer in respect of their current or former property.
- Shortfalls in Council Tax Reduction.
- A move to private rented accommodation where it should be clear to the claimant that the property is too large or unaffordable.
- Failure of non-dependants to make up the deduction attributable to them when they have the means to do so.
- Certain sanctions and reductions in benefit. DHPs cannot meet these because to do so would undermine the effectiveness of the sanctions or reduction in benefit. These are:

- Any reduction in Income Support (IS) or income-based Jobseeker's Allowance (JSA (IB)) due to a Reduced Benefit Direction (RBD) for failure to comply with the Child Support Agency in arranging maintenance. The RBD is a reduction in benefit from the personal allowance and only applies to IS or JSA (IB).
- Any reduction in benefit as a result of non-attendance at a work-focused interview.
- Any reduction or loss of benefit due to a JSA employment sanction. JSA is not payable for the period of sanction if they have contributed towards their unemployed status, for example, by leaving employment voluntarily or failing to attend a prescribed training scheme. In such cases, it may be possible for a reduced rate of JSA to be paid under the JSA hardship provisions.
- Any reduction in benefit due to a JSA sanction for 16/17 year olds. For certain young people who receive JSA under a Severe Hardship Direction. JSA is not payable for the period of the sanction if they have contributed towards their unemployed status, for example, by leaving unemployment voluntarily or failing to attend a prescribed training scheme.
- Any other restriction in benefit due to a breach of a community service order.
- Please note, a past sanction or reduction in benefit does not prevent a future claim to DHP. But, the reasons for sanction/benefit reduction may be considered as part of the wider view of the customer's circumstances in considering that new application.
- Benefit suspensions. HB can be suspended either because there is a general doubt about entitlement or because a customer has failed to supply information pertinent to their claim. In such cases, it would not be permissible to pay DHPs instead. One of the intentions of the suspension provisions is to act as a lever to ensure that the customer takes the necessary steps to provide the authority with the necessary information/evidence, paying DHPs could reduce the effectiveness of this lever.
- Shortfalls caused by HB overpayment recovery. When recovery of a HB overpayment is taking place, such shortfalls should not be considered for a DHP.
- A move to rented property where it should be clear to the claimant that the property is too large or unaffordable.
- Failure of non-dependants to make up the deduction attributable to them when they have the means to do so.

Further guidance can be found in Appendix A of the DWP Discretionary Housing Payments Guidance Manual (March 2018).

BENEFITS SECTION TEAM POLICY

The purpose of this policy is to specify how WDC's Benefits Section will operate the scheme and to indicate some factors that will be considered when deciding if a DHP can be made. The authority has a duty to act fairly and reasonably when administering the scheme. Each case will be considered on an individual basis. The entitlement to a DHP will usually be based on the financial circumstances of each tenant and their household. When assessing a claim for a DHP we will consider the wider circumstances of the customer. The Benefits Section is committed to working with the local voluntary sector, social landlords and other interested parties within the district to maximise entitlement to all available state benefits and this will be reflected in the administration of the DHP scheme.

CLAIMING A DHP

A claim for a DHP must be made in writing and signed by the claimant.

On request or in appropriate circumstances, the Benefits Section will issue the claimant a DHP application form. The claimant will be required to return the form to the Benefits Section within one month of its issue and will be encouraged to include any relevant supporting evidence. The decision maker will take into account any other available evidence including that held on the HB file and other Council systems, provided they are allowed such access under the data protection act.

The Benefits Section may request any reasonable evidence in support of an application for a DHP, and all requests will be made in writing. Sufficient evidence will need to be obtained to enable the decision maker to compare income against expenses to identify where there is a shortfall. The claimant will be asked to provide the evidence within one month of such a request, although this will be extended in appropriate circumstances. If evidence is not supplied as requested, it is unlikely that a DHP will be awarded.

PERIOD OF AWARD

The Benefits Section considers that the DHP scheme should be seen as a short term fund to assist financial hardship. It is not and should not be considered as a way around any current or future entitlement reductions set out within HB and UC legislation. In all cases, the Benefits Section will decide the length of time for which a DHP will be awarded on the basis of the evidence supplied and the facts known.

The start date of an award will normally be:

- The Monday after the written claim form for a DHP is received or initial request made to the Benefits Section; or
- The date on which entitlement to HB or UC commenced (providing the DHP application form is received within one calendar month of the claim for HB or UC being decided), whichever is the most appropriate.
- The Benefits Section cannot award a DHP for any period outside an existing HB or UC period granted under the HB or UC statutory schemes. The authority has no power to make a DHP under the Discretionary Financial Assistance Regulations 2001 to discharge a tenant's rent arrears if those arrears accrued whilst the tenant was not in receipt of HB.

- The minimum period for which the Benefits Section will award a DHP is one week.
- The Benefits Section will usually award a DHP for not less than 13 weeks.
- The Benefits Section will not normally award a DHP for a period exceeding 26 weeks.
- The Benefits Section will consider any reasonable request for backdating an award of a DHP but such consideration will usually be limited to the current financial year.

BACKDATING A DHP

The Benefits Section will look at each claim on its own merits when deciding whether or not to backdate a DHP. Unlike HB or UC, there are no rules on backdating, but the Benefits Section will act consistently.

AWARDING A DHP

All applications will be considered by a Benefits Team Leader in the first instance.

Essentially the Council will compare the household income and expenditure to see whether the customer is in need of further financial assistance to meet their housing costs. Each decision reached is “discretionary” and is not governed by strict regulations, although the Council will ensure that all decisions made are impartial and reasonable.

The regulations regarding the treatment of income in HB and UC claims do not apply in the DHP decision making process. Therefore, we may decide to count income into a DHP calculation that might have been disregarded in the HB or UC assessment e.g. Child Benefit and Maintenance payments.

Similarly, we can use our discretion when determining if the expenses are reasonable. Any decisions made about a person’s expenditure will be done on an individual basis and may require some additional clarification by the Council.

In deciding whether to award a DHP, the Benefits Section will take into account:

- The shortfall between HB or UC entitlement and the rental liability.
- Any steps taken by the claimant to reduce their rental liability.
- The medical circumstance of the claimant; their partner and any dependants and any other occupants of the same household. The Government amended legislation to allow an extra bedroom for a severely disabled child who is eligible for the middle or highest rates of DLA Care who would normally be expected to share a room under the size criteria rules, but is not reasonable to do so due to severe disability. Further amendments have been made to legislation to extend this easement to couples who cannot share a bedroom. Disability related benefits are intended to be used to help pay for the extra costs associated with their disability; and as such money might already be committed to other liabilities such as a Motability scheme, provision of care etc. When considering expenditure,

costs relating to disability related needs will be taken into consideration. Where appropriate the Authority will use its discretion to disregard such income.

- The income and expenditure of the claimant, their partner and any dependants or other occupants of the claimant's home.
- Any savings or capital that might be held by the claimant or their family.
- The level of indebtedness of the claimant and their family's circumstances. DHPs will not be provided to pay off other debts. The dates the debts were incurred are relevant, particularly where arrangements were entered into when rent is being restricted. Applicants should take some responsibility for their level of debt, and the amount they can afford to pay from their income. Anyone experiencing debt problems will be signposted to local debt advice agencies for free, confidential and unbiased advice.
- The amount available in the DHP budget at the time of the application.
- The possible impact on the Council of not making such an award, e.g. pressure on priority homeless accommodation.
- Any other special circumstances brought to the attention of the Benefits Section.

When awarding a DHP to assist the customer with securing a new tenancy, the authority will consider the following:

- The authority will include information about the legal obligations for landlords to protect any deposit paid into a Government approved tenancy deposit protection scheme. Compliance with this requirement will help reduce the need for future help with deposits.
- Establishing if the customer is due to have a deposit in respect of their exiting tenancy returned to them.
- Making payment to the landlord rather than the customer.

The Benefits Section will decide how much to award based on all of the customer's circumstances. This may be an amount below the difference between the rent liability and the payment of HB or UC. An award of a DHP does not guarantee that a further award will be made at a later date, even if the claimant's circumstances have not changed.

Given the number of people who are or will be affected by current and forthcoming changes, awarding DHPs to meet all shortfalls is not going to be a viable option. Careful consideration will be required to determine how best to target the funding within priority groups, whilst ensuring that each case is considered on its own individual merits. Below are examples of circumstances where a DHP can be awarded to help those in need of additional financial assistance, this list is not exhaustive.

- Families with children at a critical point in their education.
- Young people leaving local authority care.

- Foster carers, including those between placements: foster children are not included in the HB assessment but neither is the income from foster allowances; as the Government values the work done by foster carers. Whilst some carers may be able to make up the shortfall using some of their allowance, or by other means, some thought should be given to supporting foster carers who are deemed to be under-occupying their accommodation because they have rooms occupied by foster children, or being kept available for future placements. The Council should bear in mind that foster carers should not be financially penalised because of their foster caring role.
- People going through the approval process to become foster carers who may need to show that they have a spare room to be approved. If a DHP was awarded on this basis, it would be up to the claimant to inform the Benefits Section of a change of circumstances if, for example, they were not subsequently approved.
- Families with kinship care arrangements. Children who go into the care of family and friends are often extremely vulnerable and will usually benefit from the stability of remaining in a familiar area and continuing to attend their local school.
- Families with a child temporarily in care but who is expected to return home. What constitutes temporary will be at the Authority's discretion.
- Families with a social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project.
- People who have had to flee domestic violence or have moved because of the threat of violence in another area.
- Where someone in the household is expecting a baby (including those currently in shared accommodation or subject to an under-occupation reduction).
- Ex-homeless people being supported to settle in the community.
- People with health or medical problems who need access to local medical services or support that might not be available elsewhere.
- People with disabilities who need, or have had, 'significant' adaptations made to their property, or where they are living in a property particularly suited to their needs.
- People with disabilities who receive informal care and support in their current neighbourhood from family and friends which would not be available in a new area. In this respect the authority may also consider families who have a child with a disability who rely heavily on local support networks.
- Households with disabled children who require an overnight carer.
- The elderly who have lived in the area for a long period of time and would find it difficult to establish support networks in a new area.

- People who need to live near their jobs because they work unsocial hours or split shifts; or where moving home may mean living in an area where public transport would be inadequate to enable them to sustain their current job.

CONDITIONS OF AWARD

To assist with the managing of the DHP budget; a DHP award may have conditionality attached to it. The use of conditionality is considered to be good practice in many Local Authorities. Any conditionality will be introduced to help reduce the claimant's rental liability; help them find alternative accommodation; increase their income or reduce their expenditure. Example may include:

- Proactively looking for work; with or without the support of the Local Authority and could incorporate attending work related coaching.
- Registering for housing and actively bidding for suitable properties; potentially looking for mutual exchanges.
- Making regular payments to clear/reduce rent arrears.
- Acting on debt advice from an appropriate organisation to increase income and reduce outgoings; prioritising debts accordingly.
- Engaging on advice provided by a speciality support services.

The implementation of conditions helps ensure that the recipient knows what steps to take to improve their situation with the aim of reducing their need for further financial assistance; and thereby aligns with the objective of DHPs to be for short term assistance.

When reapplying for a DHP the onus will be on the claimant to demonstrate what action(s) they have taken, or support they have received, in respect of conditions given in their prior award to reduce their reliance on the DHP scheme. Should a claimant fail to show reasonable efforts have been made to meet the conditions a further DHP award may be refused.

CHANGES IN CIRCUMSTANCES

The Benefits Section will need to revise an award of a DHP where the claimant's circumstances have materially changed.

METHOD OF PAYMENT

The Benefits Section will decide the most appropriate person to pay based upon the circumstances of each case. This could include paying:

- The claimant.
- Their partner.
- An appointee.
- Their landlord (or an agent of the landlord).

- Any third party to whom it might be most appropriate to make payment.

The Benefits Section will pay an award of DHP by the most appropriate means available in each case. Payment will normally be made by:

- Electronic transfer (e.g. BACS).
- Crediting the claimant's rent account if renting from the Council.
- Cheque in exceptional circumstances.

Currently, payment frequency is normally made in line with how the customer's HB is paid. With UC claimants the Council will decide on the appropriate frequency for any agreed DHP's.

NOTIFICATION

The Benefits Section will aim to inform the claimant of the outcome of their application within 14 days of receipt of all of the information being received. Where the application is unsuccessful, the Benefits Section will set out the reasons why this decision was made and explain the right of review.

Where the application is successful, the Benefits Section will advise:

- The weekly amount of DHP awarded.
- The period of the award.
- How, when to whom the award will be paid.
- The requirement to report a change in circumstances.

Where customers have been identified as struggling to manage their financial affairs, they will be signposted to independent advisory organisations e.g. Citizens Advice Bureau or a National Debt Helpline.

Where customers are experiencing a shortfall in their housing costs due to restrictions implemented as part of Welfare Reform and associated with their accommodation, their details will be passed the authority's Housing Advice Section. They will be able to provide further advice and possibly be able to help the customer find a more suitable place to live or assist the customer in keeping their current home.

If a customer is renting their home from the Council and has been awarded a DHP, their details will be forwarded to Warwick District Council's Housing Service, who may be able to help further in providing assistance with their housing needs.

REFUSED DHP

Where a request for payments has been refused, it is not expected that repeat requests will be considered unless the customer can demonstrate that their situation has worsened significantly or a substantial period of time has elapsed.

THE RIGHT TO SEEK A REVIEW

DHPs are not payments of HB or UC and therefore are not subject to the statutory appeals mechanism.

The Benefits Section will operate the following process for dealing with a decision about a refusal to award a DHP, a decision to award a reduced amount of DHP, a decision not to backdate a DHP or a decision that there has been an overpayment of a DHP.

A claimant (or their appointee) who disagrees with a DHP decision may dispute the decision. A request must be delivered in writing to the Benefits Section within one calendar month of the written decision about the DHP being issued to the claimant.

A Team Leader (other than the original decision maker) or Principal Benefits Officer will then review the decision and all of the evidence held and will make a decision as soon as feasible.

Where the decision not to revise the original decision has been made, the claimant will be notified of the decision in writing, setting out the reasons for the decision.

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

In exceptional circumstances the above time period may be extended.

OVERPAID DHPS

DHPs can be recovered if the Authority decides that the payment has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise. A DHP is also recoverable if it was paid as a result of an error made when the claim was determined.

The Benefits Section cannot recover DHPs from ongoing HB or UC entitlement. Therefore, the only method of recovery if a DHP is overpaid is to request repayment of the debt from the customer by invoice.

PUBLICITY

The Benefits Section will continue to publicise the scheme and will work with all interested parties to achieve this. DHPs will continue to be promoted through leaflets, the Council's website and all benefit letters. Staff are trained and knowledgeable and will advise those who are considered to be in financial difficulty of the availability of these payments.

FRAUD

The Benefits Section is committed to the fight against fraud in all its forms. A claimant who tries to fraudulently claim a DHP by falsely declaring their circumstances, by providing a false statement or evidence in support of their application, will be investigated as appropriate which may lead to criminal proceedings being instigated.

FUNDING AVAILABLE, MONEY SPENT AND MONITORING

The Government provides a contribution to the Local Authority each year and the Authority can add an additional 150 per cent to the Government contribution to the fund. This is the permitted amount that can be spent on discretionary payments. Once the overall cash limit has been met, no further DHPs can be awarded, any funds paid out above this limit will have resulted in breaking the law.

The legislation which specifies the overall limit on expenditure is Article 7 of The Discretionary Housing Payment (Grants) Order 2001.

The DWP have increased their contributions to the DHP fund to assist with the welfare reform changes. As a result of this; the DWP are required to monitor how DHPs are being used to support customers affected. WDC will be required to provide a broad breakdown of their expenditure. Following a successful application for DHPs, the authority should record the main reason for the award, as detailed below:

- To support customer affected by benefit cap.
- To support customer affected by social sector size criteria.
- To support customer affected by LHA reforms.
- Any other reason (covers original funding).

The Council will normally set the annual DHP budget in line with the allocated level of spend from the DWP which attracts subsidy. The Council will consider increasing this budget in the light of economic circumstances and evidence on demand.

A six monthly and annual return must be submitted to the DWP to verify expenditure.