



**Wigan**   
**Council**

## **Discretionary Housing Payments Policy**

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Version Control		
Version	Date	Notes
1	1 January 2019	
2	03 May 2024	Updated following review

## **Introduction**

Discretionary Housing Payments are additional payments awarded by the Council to provide financial support towards housing costs.

The Discretionary Financial Assistance Regulations 2001 provide the legal framework for the application of Discretionary Housing Payments. The Department for Work and Pensions provide guidance to Local Authorities on how Discretionary Housing Payments can be administered but there is a degree of discretion over the scheme and some regulatory restrictions.

The main features of the Discretionary Housing Payment scheme are:

- it is not part of the Housing Benefit scheme
- a Discretionary Housing Payment cannot be used to offset overpayment recovery or to cover ineligible service charges
- anyone receiving Housing Benefit or Universal Credit Housing Costs with support for paying rental liability can make a claim
- there is no statutory right to payment or an award being made
- payments are made from a cash-limited fund

The Discretionary Housing Payment funding is limited and subject to change each year.

Applications will be considered on a case-by-case basis to ensure fairness and consistency within decision making, and ensure funds remain available to support residents throughout the year.

Any unspent funding must be returned to Department for Work and Pensions at the end of the financial year.

## **Purpose of the Policy**

The purpose of this policy is to specify how Wigan Council will administer the Discretionary Housing Payment scheme.

This policy ensures that the Council will act fairly, reasonably and consistently throughout the decision making process.

All customers will be treated equally and fairly and in accordance with the Council's policies.

## **Aims of the Policy**

This policy incorporates Department for Work and Pensions guidance on the administration of Discretionary Housing Payments and is intended to support the following outcomes:

- alleviate poverty
- support residents with sustaining tenancies and preventing homelessness
- sustain people in, and encourage people into employment
- safeguard residents in their own homes
- support domestic abuse victims who are trying to move to a place of safety
- support young people leaving Local Authority care
- support the work of Foster Carers
- support disabled people to remain in suitable properties

- support the vulnerable, including young children and the elderly in the local community
- support residents through personal crises and difficult events
- support families to stay together

The overarching objective of this policy is to ensure funding granted under the Discretionary Housing Payment scheme is distributed in a manner which supports the prevention of homelessness. This will be achieved by providing short term relief to customers to give them time to find more sustainable tenancies or financial arrangements. The policy is also intended to support people who have little possibility of changing their personal circumstances.

The scheme allows for payments to be made for rent deposits and rent in advance if the claimant receives Housing Benefit or Universal Credit Housing Costs for their present home.

## **Equalities**

The Council is committed to equality and fairness.

Equality is about ensuring people are treated fairly and given fair chances. It is also about ensuring that people receive fair outcomes in the standard of service they receive from the Council and equality of access to services. This incorporates everyone, regardless of their race, gender, age, religion or belief, sexual orientation, marital or civil partnership status or disability in line with the principles set out in the Equalities Act 2010.

## **Administration of Claims**

Customer Experience and Support administer the Discretionary Housing Payment scheme in accordance with the legislative requirements and will:

- provide an online claim form including supporting guidance
- set and monitor performance targets
- provide operational procedures to be followed
- notify the customer of the outcome of any claim in writing, stating the reasons for the decision and providing details of their review/appeal rights
- remind the customer claiming a Discretionary Housing Payment of their duty to notify Customer Experience and Support of any changes in their circumstances which may impact on their eligibility
- regularly review the policy, procedures and administration of the scheme, to ensure the aims of the policy are being met, they remain current, and the policy reflects the needs of all residents of the Wigan borough

## **Making a Claim**

To make an application for a Discretionary Housing Payment, there must be an entitlement to Housing Benefit or Universal Credit Housing Costs with a rental liability for the same period as the application for further support.

An online application form must be completed in all instances via [www.wigan.gov.uk/DiscretionaryHousingPayments](http://www.wigan.gov.uk/DiscretionaryHousingPayments) for a claim to be considered.

An initial request for a Discretionary Housing Payment maybe made verbally, by email or in writing and this will be treated as the date of first contact, however all customers will be advised to submit

an online application via the link above, which must be completed within one calendar month, to retain the date of first contact.

An application can be accepted by someone acting on behalf of the claimant, for example if a claimant is vulnerable and requires support, including from:

- Registered Social Landlords
- third sector organisations such as Citizens Advice or other Welfare Rights Advisors
- support or care workers and other helpers
- an appropriate representative, friend or relative

Phone applications and face to face support is available for customers unable to complete an application themselves or have no one who can support them with completion.

Evidence may be requested when considering a claim for a Discretionary Housing Payment, this may be from the customer or third-party sources. If evidence is requested, it must be provided within one calendar month otherwise the claim may be rejected.

If the customer is unable to, or does not provide the required evidence, the Council will consider the application taking into account any other available evidence held on records relating to Housing Benefit and Council Tax Reduction, or information held by other council services where applicable.

A claim will only be considered once a decision has been made on the customer's most recent Housing Benefit claim or Universal Credit application if support towards rental liability is not already currently in payment.

## **Awarding a Claim**

All Discretionary Housing Payment applications will be considered on a case-by-case basis.

When considering a Discretionary Housing Payment application, a decision maker may take into account the following:

- any difference between the applicable amount and received income
- any shortfall between Housing Benefit or Universal Credit Housing Costs and the rent liability
- the risk of being made statutorily homeless if an award is refused
- affordability of the accommodation based on the residents needs and circumstances
- any steps taken to negotiate a rent reduction with the landlord
- if financial hardship is affecting vulnerable individuals in the family, such as young children
- the financial and medical circumstances of the customer, their partner and any dependents and any other occupants of the customer's home
- any savings or capital held by the customer, their partner and any other occupants of the customer's home aged 18 or over
- income that has been disregarded in the calculation of Housing Benefit, Council Tax Reduction and Universal Credit, excluding war pensions and disability related benefits
- the income and expenses of the customer, their partner and any dependents or other occupants of the customer's home
- any previous referrals for monetary advice and support in appropriate circumstances, whether that support has been undertaken and the need for ongoing support
- other household debts or loans

- any shortfalls due to non-dependant deductions
- customers affected by the Under Occupancy rules who have had adaptations made to the accommodation to support their or family members needs
- the need of a household to remain in a particular property or area for educational, medical, support, care or disability reasons
- Rent in Advance or Rent Deposit applications, the reason for move including why the previous or current tenancy was lost
- whether a managed payment or Local Housing Allowance safeguard has been applied for
- any steps taken to negotiate rent arrears repayment plans with their landlord
- the customers engagement and participation in accessing all relevant support services available to them

This list is not exhaustive, and any other relevant factors or special circumstances may be considered.

Any Discretionary Housing Payment awarded will not exceed the weekly Housing Benefit or Universal Credit Housing Element amount. Any Housing Benefit already paid towards housing costs will be deducted to avoid duplicate provision.

## **Eligibility**

The various types of shortfalls that a Discretionary Housing Payment can cover include:

- reductions in Housing Benefit or Universal Credit where the Benefit Cap has been applied
- reductions in Housing Benefit or Universal Credit for under-occupation in the social rented sector
- reductions in Housing Benefit or Universal Credit because of Local Housing Allowance restrictions
- Rent Officer restrictions such as local reference rent or shared room rate
- Rent Deposits and Rent in Advance where there is a risk of homelessness and for deposits when a Deposit Bond scheme is not available
- where expenditure is higher than income due to multiple debts and a substantial shortfall in the amount remaining for rent
- unaffordable rents
- where an extra bedroom is needed due to medical reasons, and it is unreasonable to expect the customer to move home based on their needs
- where the property is larger than current needs due to pregnancy, this will be considered where Housing Benefit is restricted by size criteria and only within twelve weeks of the baby's due date
- where medical conditions would make it impractical to move
- where rent arrears have arisen following increases in essential work-related expenditure, such as increased commuting fares to work, if a customer has had to move because they could not afford to live in proximity to their work following a reduction in their Local Housing Allowance rates
- where a customer is experiencing a short-term emergency or crisis
- to provide assistance to secure a new tenancy where the decision maker considers there is an urgent or essential need to move, such as at risk of homelessness
- to assist the customer to retain an existing tenancy

This list is not exhaustive, and any other relevant factors or special circumstances will be considered on their merits.

## Ineligibility

A Discretionary Housing Payment cannot be awarded where:

- a shortfall is caused by services or meals included in rent such as water rates, electricity or breakfast. If included in the rent, confirmation from the landlord as to the amount paid towards them will be needed
- any shortfall is due to an excessive rent increase
- any shortfall in income is caused by a benefit/support sanction or suspension
- assistance with Rent in Advance and Rent Deposits, where the rent exceeds the Local Housing Allowance rate by more than 10% other than in exceptional circumstances
- Rent in Advance or Rent Deposits where the applicant has lost their tenancy due to their willful action or inaction, for example, causing deliberate damage to the property, non-payment of Housing Benefit to a landlord, except where the tenant is engaging with support services
- the Council Deposit Bond scheme is available for assistance with deposits
- any reduction in Housing Benefit is as a result of the new Loss of Benefit (LOB) penalty
- any increase in rent charges is due to outstanding rent arrears
- any shortfall in income caused by overpayment recovery
- Housing Benefit, Council Tax Reduction or Universal Credit has been suspended or has never been in payment
- an applicant has multiple outstanding debts and fails to engage with or seek professional debt advice or fails to plan to deal with the debt
- ongoing assistance with a rent shortfall where an award has already been made to assist the customer to move into the property; as awards to secure a tenancy are made on the basis that the rent is affordable, unless there are exceptional circumstances

## Rent Deposits

Assistance with Rent Deposits will be considered for customers on a case by case basis, in accordance with the eligibility criteria and aims of this policy.

Cash Deposits will not be provided through the Discretionary Housing Payment scheme where a Council Deposit Bond scheme is available to assist residents to secure accommodation.

To qualify for assistance with a rent deposit the following conditions will apply:

- no similar financial assistance has previously been provided to the customer by the Council except where the applicant is both unable to access their previous deposit and needs to move through no fault of their own
- the rent is no more than 10% above the current Local Housing Allowance rate that is appropriate for the property except in exceptional circumstances where the decision maker agrees the new rent is affordable
- if a tenant has lost their accommodation due to their own willful action or inaction an award may not be made unless they are engaging with Support Services

Where a tenant has been awarded a Deposit Bond by the Council and a condition of this is that the tenant saves their own deposit during the period of the bond, a Discretionary Housing Payment will not be considered to cover cases where the tenant has not saved unless there has been a significant change in circumstances.

Where the above qualifying criteria are met and an award is agreed, payment is subject to the following:

- the payment will only be made directly to the new landlord
- the landlord must comply with the legal obligation to protect a deposit paid in a Government approved tenancy deposit protection scheme

Rent Deposit awards will cover a maximum of one month's rent.

## **Rent in Advance**

Assistance with Rent in Advance will be considered for customers on a case by case basis, in accordance with the eligibility criteria and aims of this policy.

To qualify for assistance with a Rent in Advance payment the following conditions will apply:

- no similar financial assistance has previously been provided to the applicant by the Council, except where the applicant is both unable to access their previous rent in advance and needs to move through no fault of their own
- the rent is no more than 10% above the current Local Housing Allowance rate that is appropriate for the property, except in exceptional circumstances where the decision maker considers the new rent is affordable
- if a tenant has lost their accommodation due to their own willful action or inaction, an award may not be made unless they are engaging with Support Services

Where the above qualifying criteria are met and an award is agreed, payment will be made directly to the new landlord.

Rent in Advance awards will normally cover no more than one month's rent payable, except where there are exceptional circumstances which warrant a higher amount to be awarded, up to a maximum of two months' rent.

Ongoing Discretionary Housing Payment awards for rent shortfalls will only be considered alongside a rent in advance payment in exceptional circumstances.

## **Period of Award - Help with ongoing rent shortfalls**

Award periods will normally commence from the Monday following the date that an application is received. When a request has been made verbally, by email or in writing and an online application has been completed within one calendar month the date of first contact will be used.

A Discretionary Housing Payment may be awarded for up to 6 months, but consideration to extend and award between 6 to 12 months may be given.

In exceptional circumstances where a customer's circumstances will remain the same or are likely to remain the same then the award can run for 12 months. Payments may be extended but will be subject to review.

Where a degree of permanency exists in the customers circumstances the award can be extended, for example, if the property has been adapted to cater for a customers or a household member's needs.

The period of the award will be set according to the anticipated length of time assistance is required, subject to available funds.

Long term awards may be made to customers affected by the Social Rented Sector Size Criteria where the Council continues to regard it as inappropriate for the customer to have to move.

An award of a Discretionary Housing Payment does not guarantee a further award later even if the customer's circumstances have not changed. If at the time of the initial award the accommodation is considered inappropriate the customer will be advised to look for alternative ways of reducing any shortfall or alleviating any hardship.

Long term solutions may include finding more affordable accommodation, finding or increasing employment, negotiating a reduced rent, reducing indebtedness or negotiating reduced payments to existing creditors.

## **Backdating**

A Discretionary Housing Payment can be backdated if the customer has a good reason for the delay in making the Discretionary Housing Payment claim based on the circumstances of the case. However, this will be limited to the period in which the customer has been receiving Housing Benefit or Universal Credit Housing Costs during the current financial year.

## **Method of Payment**

Payment will be made by Bankers Automated Clearance System or by credit to a rent account or can be made to the landlord to reduce rent arrears. The payments will usually be made at the same time as Housing Benefit or Universal Credit Housing Costs, except in cases where there is a lump sum award.

The Council will decide who to make Discretionary Housing Payment to, by giving consideration to who receives the Housing Benefit or Universal Credit Housing Cost payments, the level of rent arrears and any other information given on the online application.

Where rent arrears exist, the Council may use a facility to pay the landlord directly under Housing Benefit provisions, which is reflected when making a payment under the Discretionary Housing Payment scheme.

The frequency of the payment will be considered for each case.

## **Changes of Circumstances**

An award of Discretionary Housing Payment may be revised or withdrawn where the customer's circumstances have changed.

The customer is required to notify Customer Experience and Support of any changes of circumstances that may affect their eligibility to Housing Benefit or Universal Credit Housing Costs as soon as reasonably practicable.

A customer must be in receipt of Housing Benefit or Universal Credit Housing Costs or have been entitled for the period of the claim.

## Stopping Discretionary Housing Payment payments

An award of Discretionary Housing Payment may be stopped before the end date already indicated to a claimant in the following circumstances:

- where the Council decides that a Discretionary Housing Payment is being and/or has been made because a claimant has misrepresented or failed, fraudulently or otherwise, to disclose a material fact
- the claimant has been paid because of an error
- the claimant no longer needs further financial assistance towards housing costs

## Notification of Awards

Customers will be notified of the outcome of their application within 10 working days of the latest of the following events or as soon as possible after:

- the application was received
- any evidence or additional information being received
- Housing Benefit or Universal Credit Housing Costs have successfully been processed for payment

The notification will state the reasons for the decision and will advise:

- the amount of Discretionary Housing Payment awarded or reason for refusal
- the period of the award, if applicable
- the requirement to report any change of circumstances
- the right to request a review of the decision
- further information on who to contact for additional help or advice

## Reviews

Discretionary Housing Payments are not payments of Housing Benefit and are not subject to the statutory appeals process. The Council has a review process in place to ensure that all decisions are fair, consistent and implemented in line with this policy.

The customer, their nominated appointee or representative may dispute a decision. A request for a review should be made by email or letter to the Council within one calendar month of the decision being issued. This period may be extended in exceptional circumstances.

A request for review will be dealt with by an officer not involved in the original decision-making process. The officer will look at all the information and evidence used to make the original decision. They will also consider any new information the customer has provided and may ask them for more information if necessary.

Following a review, the officer will write to the customer advising them of their decision within 10 working days.

Review decisions are final and may not be further challenged except where legislation permits. The Council will write to the customer once a decision has been considered and will explain:

- the amount of the award, if any
- the period of the award, if applicable

- how any successful award will be made, if applicable
- the factors considered in reaching the decision
- any reason for an award being refused

A review process does not prevent a future application being made if there is a change in the circumstances of the person making a claim.

## **Overpayments**

Where a Discretionary Housing Payment has been overpaid, the Council may seek to recover it by:

- deducting from any ongoing Discretionary Housing Payment award
- issuing an invoice requesting it be repaid

In the event of an overpayment, a letter will be sent to the customer detailing the overpayment, why it has occurred and what to do if they disagree.

A Discretionary Housing Payment overpayment cannot be recovered from ongoing Housing Benefit or Universal Credit.

## **Fraud**

The Council is committed to protect public funds and ensure they are paid to the people who are rightfully eligible to them. A customer found to be claiming Discretionary Housing Payments fraudulently by providing false information or evidence in support of their claim, may commit an offence under the Fraud Act and be liable for prosecution.

If fraud is suspected to have taken place it will be fully investigated which may lead to criminal proceedings being taken.

## **Reporting**

Applications and awards are subject to the Council's quality control and audit procedures.

Discretionary Housing Payment administration, expenditure and success of campaigns and targeted initiatives will be reported to:

- Customer Experience and Support Senior Management
- The Welfare Reform Board
- Discretionary Housing Payment expenditure will be reported to the Department for Work and Pensions

## **Working in Partnership**

Customer Experience and Support will work closely with the following partners, organisations and groups to assist with meeting the aims and objectives of the Council's Homelessness Strategy and to promote and ensure our most vulnerable and in need customers access Discretionary Housing Payment funding:

- Wigan Rents Department
- Welfare Reform Board

- Service Delivery Footprints
- Registered Social Landlords
- Housing Strategy
- Northwest Landlord Forum
- Homelessness Forum
- Charities and groups supporting private sector tenants

## **Publicising Discretionary Housing Payments**

The Discretionary Housing Payment scheme will be publicised in the borough.

The following methods of communication may be used:

- leaflets and posters
- information with notification letters
- information provided to customers visiting our Life Centres or contacting by phone
- information on the Council's website
- social media
- information for third sector organisations and referrers
- online claim forms
- information with Council Tax documents

## **Policy Review**

The Discretionary Housing Payment Policy will be reviewed annually. Any changes made will be in accordance with Department for Work and Pensions guidance and best practice and will account for any regulatory changes.

The Discretionary Housing Payment Policy will be published and available to view on the Council's website.

## **Data Sharing**

We will collect and use information about you to perform our statutory duties. Where we use other organisations to deliver our services, or store personal information, we will have an information sharing agreement in place to ensure your data is secure.

We may use information about you to help to deliver other Wigan Council services and support to you, to perform our other statutory duties and to protect public funds. We may also share your information where the law allows us to, for example, in order to find and stop crime and fraud, where there is an overriding reason such as where we may have safeguarding concerns.

We will make sure that we record what information we share and our reasons for doing so.

For further information regarding this notice please visit [www.wigan.gov.uk/privacynotices](http://www.wigan.gov.uk/privacynotices).