



**WOKINGHAM
BOROUGH COUNCIL**

A Meeting of an **INDIVIDUAL EXECUTIVE MEMBER
DECISION** will be held virtually on **THURSDAY 4 JUNE
2020 AT 9.30 AM**

A handwritten signature in black ink, appearing to read 'Susan Parsonage'.

Susan Parsonage
Chief Executive
Published on 27 May 2020

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WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, learn, work and grow and a great place to do business

Enriching Lives

- Champion outstanding education and enable our children and young people to achieve their full potential, regardless of their background.
- Support our residents to lead happy, healthy lives and provide access to good leisure facilities to complement an active lifestyle.
- Engage and involve our communities through arts and culture and create a sense of identity which people feel part of.
- Support growth in our local economy and help to build business.

Safe, Strong, Communities

- Protect and safeguard our children, young and vulnerable people.
- Offer quality care and support, at the right time, to prevent the need for long term care.
- Nurture communities and help them to thrive.
- Ensure our borough and communities remain safe for all.

A Clean and Green Borough

- Do all we can to become carbon neutral and sustainable for the future.
- Protect our borough, keep it clean and enhance our green areas.
- Reduce our waste, improve biodiversity and increase recycling.
- Connect our parks and open spaces with green cycleways.

Right Homes, Right Places

- Offer quality, affordable, sustainable homes fit for the future.
- Build our fair share of housing with the right infrastructure to support and enable our borough to grow.
- Protect our unique places and preserve our natural environment.
- Help with your housing needs and support people to live independently in their own homes.

Keeping the Borough Moving

- Maintain and improve our roads, footpaths and cycleways.
- Tackle traffic congestion, minimise delays and disruptions.
- Enable safe and sustainable travel around the borough with good transport infrastructure.
- Promote healthy alternative travel options and support our partners to offer affordable, accessible public transport with good network links.

Changing the Way We Work for You

- Be relentlessly customer focussed.
- Work with our partners to provide efficient, effective, joined up services which are focussed around you.
- Communicate better with you, owning issues, updating on progress and responding appropriately as well as promoting what is happening in our Borough.
- Drive innovative digital ways of working that will connect our communities, businesses and customers to our services in a way that suits their needs.

For consideration by

John Kaiser, Executive Member for Finance and Housing

Officers Present

Nicky Thomas, Senior Specialist – Assessments

Callum Wernham, Democratic & Electoral Services Specialist

IMD NO.	WARD	SUBJECT	
IMD 2020/04	None Specific	DISCRETIONARY HOUSING PAYMENTS POLICY	5 - 102

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Agenda Item IMD4

INDIVIDUAL EXECUTIVE MEMBER DECISION REFERENCE IMD: 2020/04

TITLE	Discretionary Housing Payments Policy
DECISION TO BE MADE BY	Deputy Leader of the Council - John Kaiser
DATE, MEETING ROOM and TIME	4 June 2020 "Teams" call 9:30am
WARD	None specific
DIRECTOR / KEY OFFICER	Deputy Chief Executive - Graham Ebers

PURPOSE OF REPORT (Inc Strategic Outcomes)

The Discretionary Housing Payment (DHP) scheme is funded by Government to assist residents who are on Housing Benefit or receive the housing element of Universal Credit, with their rent or costs associated with moving.

DHP are not payments of benefit and are outside of the Housing Benefit Regulations and Universal Credit Regulations.

Under amendments to the Financial Assistance Regulations April 2013, expenditure falls within 4 broad areas:

- Local Housing Allowance Changes;
- Benefit Cap;
- Under Occupancy;
- General DHP awards.

How the DHP Policy may be written or operated has not been defined by DWP. It is a matter entirely for each local authority to compile their own scheme reflecting local needs and priorities. A document produced by the DWP called "Discretionary Housing Payments Guidance Manual" March 18, is to assist LA's with the administration of any scheme. Generally calls on this fund represent "exceptional situations" for each applicant. Support through this scheme is to provide short-term assistance to claimants to meet rental costs or assistance in obtaining housing. Although seen likely as being short term in nature, the proposed scheme is flexible enough to continue support, in appropriate cases, for longer periods to potentially enable more permanent solutions to be found and implemented.

Without operating a scheme, residents could fall in to arrears with their rent commitments and be at risk of becoming homeless, therefore impacting on other council resources. The scheme can also assist with costs associated with moving which can help with moving to more affordable accommodation. The purpose of this scheme is to assist in meeting those payments while longer term solutions are found.

RECOMMENDATION

That the Executive Member for Finance and Housing:

- 1) Approve the Policy amendments to be implemented from 4th June 2020. Amendments are to financial year, job titles, COVID 19 and funding details;
- 2) There have been no fundamental changes to the criteria for award or the process itself. The updated scheme would apply from 4th June 2020 and is now proposed for approval

SUMMARY OF REPORT

Wokingham Borough Council considers that it is in the best interests of the community to run a DHP Policy utilising the funding provided by the Department for Work & Pensions (DWP). Amendments to the existing scheme are proposed to reflect changes to legislation, funding, COVID 19 and job titles. There are no substantive changes proposed and on the whole the scheme itself remains the same.

This updated scheme will be continued to be known as the Discretionary Housing Payments scheme.

The responsibility for DHP is contained within the portfolio of the Executive Member for Finance and Housing. It falls under the provisions of an Individual Executive Member Decision for the proposed revised Policy to be adopted.

The Discretionary Housing Payment (DHP) scheme is funded by Government and the Council may top this up by two and a half times the government contribution, from its own funds. Wokingham Borough Council was awarded £184,648 for 2019/2020 and this has increased to £239,158 for 2020/2021. The Council has at this time reserved a fund of £20,000, should additional need arise.

DHP are not payments of benefit and are outside of the Housing Benefit Regulations and Universal Credit Regulations. The DHP scheme is set out in the Discretionary Financial Assistance regulations (S.I.2001/1167) as amended by the Council Tax Benefit Abolition (Consequential Provisions) Regulations 2013 (S.I. 2013/458), which came into force on 1 April 2013; and the Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013 (S.I. 2013/630), which came into force on 29 April 2013.

Background

In developing this Policy, account has been taken of other forms of statutory and discretionary financial assistance that are available across the Council. These include:

- Local Welfare Provision;
- Rent Deposits & Rent in Advance (loans available through Housing Needs)

Normal practice for payments made under the scheme will be for the sums awarded to be paid either with current housing benefit using the current methods of payment, direct to the landlord or in the most appropriate way for assistance with moving costs or claimants in receipt of Universal Credit. Only in exceptional circumstance are payments made direct to claimants.

In developing the initial Policy in 13/14 an extensive consultation was undertaken involving the Corporate Leadership Team and many internal Departments/Services. External agencies such as welfare rights advisors (e.g. CAB; Reading Welfare Rights), support agencies (e.g. Age UK; Transform) as well as service providers (e.g. Job Centre Plus; Food Banks) were also consulted. All comments received were taken in to account. A full Equality Impact Assessment was completed at the time of the original approval in April 2013. This assessment is not affected by these proposed changes.

Other changes were made in 14/15 to reflect feedback received from other services.

Further consultation was held with Housing Needs Team, Tenant Services, Income & Payments, Housing Solutions and Transform in connection with 15/16 changes, as the main proposal was to stop assisting with rental arrears. All were given the opportunity to comment on this change and included if appropriate.

DHPs are administered within the Assessments Service of Resource and Assets Directorate. It therefore sits alongside the administration and determination of similar financially based claims for housing costs support (rent and council tax), as well as wider welfare benefits advice and Local Welfare Provision support. Therefore, the Service can determine whether there is any likely other funding that a claimant may access as an alternative source of assistance.

Existing funding streams already available locally have been identified and where appropriate, claimants will continue to be signposted to other forms of financial assistance, local or national, if that is deemed more suitable for their needs, This should help maximise the effectiveness and impact of DHP scheme.

Due to abolition of Council Tax Benefit from 1st April 2013, help with council tax liabilities can no longer be claimed.

Business Case (including Analysis of Issues)

The Discretionary Housing Payment (DHP) scheme is funded by Government to assist residents who are on Housing Benefit or receive the housing element of Universal Credit, with their rent or costs associated with moving.

DHP are not payments of benefit and are outside of the Housing Benefit Regulations and Universal Credit Regulations.

How the DHP Policy may be written or operated has not been defined by DWP. It is a matter entirely for each local authority to compile their own scheme reflecting local needs and priorities, which should be done in conjunction with "Discretionary Housing Payments Guidance Manual" (August 19). Generally calls on this fund represent "exceptional situations" and support through this scheme is to provide short-term assistance to claimants to meet rental costs or assistance in obtaining housing. However, the proposed scheme is flexible enough to continue support, in appropriate cases, for longer periods to potentially enable more permanent solutions to be found and implemented.

Without operating a scheme, residents could fall in to arrears with their rent commitments and be at risk of becoming homeless. The scheme can also assist with costs associated with moving which can help with moving to more affordable accommodation.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	The Council received £239,158 in government funding to cover the cost of awards made for 20/21. The council have also reserved £20,000 additional fund should the need arise.	Yes. No further awards will be made if funding is exhausted in year.	
Next Financial Year (Year 2)	Not yet known	DWP advises LA's of grant amount in the January/February prior to the start of each financial year	
Following Financial Year (Year 3)	Not yet known	DWP advises LA's of grant amount in the January/February prior to the start of each financial year	

Other financial information relevant to the Recommendation/Decision
The Council gets a small administration grant towards the running of this scheme. The amount for 2020/2021 is £7,803. All applicants must be entitled to Housing Benefit or the Housing element of Universal Credit in order to qualify for a Discretionary Housing Payment. Administration is undertaken by the Specialist and Customer Delivery Teams in order to minimise any cost implications to the Council

Cross-Council Implications
During the initial development of this Policy, other Council service areas were consulted to ensure that this scheme was complimentary to but did not overlap with any similar provision in those service areas. The suggested amendments outlined above do not change that position.
Provision of a revised Policy to use the specific funding provided by Government for its intended purpose is seen as a way to maximise support for some of the most vulnerable residents in the borough. This should help mitigate or reduce calls for other statutory support services via the Council which may otherwise result in higher costs being faced

Public Sector Equality Duty
Please confirm that due regard to the Public Sector Equality Duty has been taken and if an equalities assessment has been completed or explain why an equalities assessment is not required.

SUMMARY OF CONSULTATION RESPONSES	
Director – Corporate Services	No major changes to policy that required consultation. Changes include updating of financial years, finances/funding
Monitoring Officer	Nothing to add
Leader of the Council	Emailed policies to Leader on 7 th May 2020

Reasons for considering the report in Part 2
N/A

List of Background Papers
DWP DHP Guidance Manual Updated August 2019; DWP Circular S2/2020; Revised WBC DHP Policy

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WOKINGHAM BOROUGH COUNCIL

DISCRETIONARY HOUSING PAYMENTS POLICY 2020 - 2021

Version Control

Version	Date	Author	Comments
1	13 December 2012	Nicky Thomas Mark Redfearn	First Full Draft
	25 th February 2013	Nicky Thomas	Final
Final	22 nd March 2013		Agreed by Anthony Pollock
2	16 th October 2013	Nicky Thomas	Revisions draft
3	18 th February 2014	Nicky Thomas / Kevin Mercer	
2 nd Final	29 th August 2014		Agreed by Anthony Pollock
4	19 th February 2015	Nicky Thomas Barbara Blake	Revisions draft
Final	24 th April 2015		Agreed by Anthony Pollock
5	24 th February 2016	Nicky Thomas Barbara Blake	Revision Draft
Final	22 nd April 2016	Nicky Thomas Barbara Blake	Agreed by Anthony Pollock
6	13 th January 2017	Nicky Thomas Barbara Blake	Revision Draft
7	3 rd August 2017	Nicky Thomas Barbara Blake	Agreed by Oliver Whittle
8	9 th March 2018	Barbara Blake	
9	16 th March 2018	Andrew Kupusarevic	Final version submitted
10	29 th March 2018	Andrew Kupusarevic	Final version – signed off via delegated powers
11	20 th February 2019	Nicky Thomas	Revision Draft
12	29 th March 2019	Nicky Thomas	Agreed by Anthony Pollock
13	24 th February 2020	Nicky Thomas	Revision Draft
14	4 th June 2020	Nicky Thomas	Final version - Agreed by John Kaiser

Discretionary Housing Payments

1. Introduction

National Picture

In July 2001 Local Authorities were granted new powers under the Financial Assistance Regulations 2001 to make discretionary payments in respect of Housing Rent and Council Tax liabilities, known as Discretionary Housing Payments (DHP).

Due to the abolition of Council Tax Benefit from 1st April 2013, help with council tax liabilities can no longer be claimed under DHP.

Under the Universal Credit (Consequential Amendments) Regulations 2013, further amendments have been made to allow someone in receipt of Universal Credit, with a rental liability, to claim a DHP.

DHPs are not payments of benefit and are outside of the Housing Benefit and Universal Credit Regulations. We operate our scheme within guidance issued by Department for Works and Pensions (DWP) for best practice.

Under amendments to the Financial Assistance Regulations, from April 2013 Discretionary Housing Payments can be paid to cover other housing costs in addition to rent commitments. Expenditure is expected to fall within 4 broad areas:

- Local Housing Allowance Changes
- Benefit Cap
- Under Occupancy
- General DHP awards

The scheme is funded by the Government and the Council may top this up by two and a half times the government contribution from its own funds. Wokingham Borough Council has been awarded £239,158 in government funding for 2020/21 compared to £184,648 for 2019/20. The Council does not normally intend to make any top ups from its own budgets although may consider if it is appropriate. However, for 20/21, the council has reserved an amount of £20,000 from its own funds, should additional spend be required.

This policy has been designed with consideration of The Human Rights Act 1998 and The Equality Act 2010.

Local Picture

Since 2013, Wokingham Borough Council (the Council) expanded the scheme to cover rent deposits, rent in advance and moving costs in addition to or instead of only allowing

a time limited payment of rent in exceptional circumstances. This enables the Council to assist claimants with real solutions to ongoing financial hardship.

In addition to general DHP funding, further additional funding has been and continues to be provided by Department for Works and Pensions to assist hardship arising from Welfare Reform including:

- 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 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;
- Income tapers.

The responsibility for DHP is contained within the portfolio of the Executive Member for Finance and Housing.

2. Statement of Objectives

The Council recognises that it must be able to respond flexibly to the needs of tenants within the borough if it wants to support strong and sustainable local communities.

Discretionary Housing Payments will be used to help mitigate the escalation of needs that arise from unforeseen or exceptional circumstances that threaten tenants' abilities to remain in their homes, or secure suitable housing.

By providing an additional financial resource, DHPs will complement the running of the Council's Rent in Advance/Deposit Loan Scheme that is administered by the Housing Needs Team

In general payments of DHPs are to assist with a short term fix, while longer term solutions are sought.

The intentions of DHPs are:

- To help secure and move to alternative accommodation (e.g. rent deposit, downsizing as a result of Social Sector Size Criteria deductions);
- To help with short-term rental costs until the claimant is able to secure and move to alternative accommodation;
- To help with short-term rental costs while the claimant seeks employment;
- To help with on-going rental costs for a disabled person in adapted accommodation;

- To help with on-going rental costs for a foster carer;
- To help with short-term rental costs for any other reason.

In recognition of the current economic situation due to the COVID 19 pandemic, where there is likely to be an increase in claims and pressure on the fund, the council will aim to be as flexible as possible while still adhering to this policy and DWP guidance.

3. Policy

3.1 Discretionary Housing Payments Scheme

DHPs are intended to provide short-term financial assistance in exceptional circumstances, where there is a shortfall between statutory benefits and rent. The scheme was extended to particularly help with financial difficulties as a result of welfare reform, although in general awards are still for a fixed period and are intended to be short term.

The delivery of the DHP scheme is purely at the Council's discretion. The scheme set out in the following paper shall be known as the Discretionary Housing Payments Policy and will apply from 4th June 2020 onwards, until changed.

Awards can be made for any period up to a maximum of 52 weeks, without review, under normal circumstances. Any claimant can apply for a new award up to 4 weeks before the end of an existing award. This reflects the expected temporary nature of DHP support. Financial criteria and checks for entitlement are carried out in accordance with guidance and DWP best practice guide

In addition to the detail stated on page 4 of this policy, DHP awards can be made to cover:

- Moving costs – to assist in moving to more suitable or affordable accommodation;
- Rent in Advance – to secure a new affordable tenancy;

DHP awards cannot cover:

- A shortfall if Housing Benefit or Universal Credit has been reduced to recover an overpayment or because other benefits have been reduced, for example, because the claimant left their last job voluntarily;
- The cost of any services which are not eligible for help under the Housing Benefit or Universal Credit schemes such as ineligible service charges, water & sewerage, fuel and heating charges;
- Increases in rent due to outstanding rent arrears;
- Sanctions and reductions in benefit as set out within the current DWP DHP Guidance Manual.

- Help towards the cost of Council Tax if there is a loss of assistance due to the abolition of Council Tax Benefit.

3.2 Applying for a Discretionary Housing Payment

- The adopted DHP scheme will be advertised directly to benefit claimants, to welfare rights organisations and will be on our website, where an application form can be downloaded. Consideration will also be given to undertaking wider publicity, for example, through Borough News and Housing Matters. DHPs will complement the objectives of the Rent Deposit Scheme (operated by Housing Needs Team) and the Council's Health and Well-Being Strategy.
- Applications must be made on the appropriate application form available on our website or in hard copy by request.
- Evidence may be required to assist with the decision making of the application.
- All outcomes will be notified in writing.

3.3 Eligibility Criteria

To be considered for a DHP the applicant must:

- be entitled to Housing Benefit, or Universal Credit that includes a housing element towards housing liability;
- satisfy the Council that further financial assistance (in addition to the benefit or benefits to which they are entitled) is required in order to meet housing costs;
- have an assessed weekly income no more than 110% of assessed weekly essential expenditure,
- In the case of requests for removal costs, rent deposit and rent in advance, where one-off payments could be made, we would look to see the affordability of the charges, for example where funds are needed urgently to secure accommodation and/or facilitate a move. Bullet points 1 & 2 above still apply, however the assessed weekly income may exceed the 110% buffer but the main consideration in an award for removal costs, rent in advance and rent deposit is the overall affordability including the sustainability of rent payments going forward.

3.4 Awarding a Discretionary Housing Payment

When awarding a DHP the following will be considered;

- If awarded due to a shortfall, awards cannot exceed the rent charged but could be up to 100% of any shortfall of benefit compared to the full eligible rent;
- If awarded in connection with a claim of Universal Credit, DHP awards can, in general, be up to the level of the claimants housing element of UC;
- If awarded due to a shortfall caused by a non-dependant deduction, the income of the non-dependant (this could be an adult member of the household including grown up children) will first be considered, along with the reason why they are not making or are unable to make a financial contribution to the household costs;
- In addition, no payment will exceed the difference between the assessed weekly income and assessed weekly essential expenditure, unless it is a lump sum payment for removal costs/rent deposit/rent in advance where affordability is looked at, or an additional sum towards rent, providing award does not exceed the rent charged but could be up to 100% of any shortfall of benefit compared to the full eligible rent and would assist in resolving a short term issue;
- Different types of claim may demand different support levels and length of award;
- The Council may decide, where appropriate, to start to apply a taper to reduce the amount of DHP received, where a customer could be reasonably expected to address the issues surrounding the need for claiming;
- There will be no limit on the number of repeat applications where a positive award has been made;
- Repeat claims previously refused within the last 6 months for the same situation will not be allowed unless there is a change in circumstances;
- Any award is seen ideally as being a temporary assistance with the aim being to allow claimants time to assess and change their circumstances and to be able to financially support themselves going forward. Recommendations may be made to assist the customer to help address specific areas, and where such recommendations are not heeded, conditionality could be applied for any future applications for assistance.

3.5 Payments of a Discretionary Housing Payment

Any award will be paid either with current housing benefit using the current methods of payment, direct to the landlord or in the most appropriate way for assistance with moving costs.

DHP payments for Universal Credit recipients will be paid in the most appropriate manner deemed by the authority and in accordance with DWP guidance.

3.6 Notification

The Council will notify the claimant of the outcome in writing including the amounts and length of time of award, within 10 working days, whenever possible, of a completed claim and evidence being received.

The notification will also include details of what to do at the end of the current award if help is still required.

It will also include details of how to appeal a decision.

3.7 Right to Appeal

DHPs are not subject to any formal statutory appeals process.

The Council has formulated an internal appeals process for those who are not satisfied with the decision made.

If the claimant is dissatisfied they can appeal within 1 calendar month of the decision being made, where it will be reviewed by a specialist officer who will be different from the officer who made the original decision.

The officer will look at the case and make a decision whether to change the outcome or leave the original decision in place. Where the original decision remains unchanged, before notifying the decision to the claimant, a final review will be carried out by the Senior Specialist – Assessments.

The claimant will be notified of this decision in writing within 10 working days of all relevant information being received.

This is the only and final appeal process open to the claimant. However, claimants do have the option to use the Judicial Review process to review the manner in which the Council has determined to exercise a discretionary function.

3.8 Overpayments

If the Council becomes aware that the information contained in an application for a DHP award was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council may seek to recover the value of any DHP award made as a result of that application.

3.9 Fraud

The Council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a DHP award might have committed an offence under the Fraud Act 2006.

If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate and this could lead to criminal proceedings.

3.10 Publicity

In addition to details being contained on the Council's website, the scheme is advertised directly to benefit claimants and to local welfare rights advisors.

Application forms are available to be downloaded via the Council website or will be issued in response to any request received by email, telephone, in person or in writing.

Consideration will also be given to undertaking wider publicity through Borough News, Housing Matters or any other Council publication.

4 Monitoring

The Assessment Team will monitor the amount and types of award made. This monitoring information will be available for management and members at any time, and any other relevant persons or organisations with whom data can be shared within appropriate legislation and guidance.

In addition the Department for Works and Pensions carries out monitoring on the amount of awards made to each funding stream: general Discretionary Housing Payment, Local Housing Allowance changes, Benefit Cap and Under Occupancy.

5 Financial Implications

Due to changes in benefit legislation and the Welfare Reform Act, the Government funding allocation for 2020/21 is set at £239,158 (compared with £184,648 for 2019/20). It remains difficult to assess the level of take up each year, but it is anticipated that claims and payments during the COVID 19 pandemic may rise. However, the council has allocated a reserve fund of £20,000 to be available if the need should arise. The position will be closely monitored and reviewed.

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Department
for Work &
Pensions

Guidance

S2/2020: 2020-21 Discretionary Housing Payments government contribution for

English and Welsh local authorities

Updated 23 March 2020

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Annex A: 2020-21 DHP
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allocations

Who should read

All Housing Benefit managers and staff in England, Scotland and Wales. Officers preparing subsidy claims and estimates.

Action

For information.

Guidance manual

The information in this circular does not affect the content of the HB Guidance Manual.

Queries

About the:

- allocation of the government contribution towards DHPs contact:
housing.benefitenquiries@dwp.gov.uk
- distribution of this circular, contact:
housing.correspondenceandpqs@dwp.gov.uk

Introduction

1. This circular provides details of the government contribution and overall expenditure limit for Discretionary Housing Payments (DHPs) for 2020-21 for English and Welsh local authorities (LAs).

Background

2. Since 2011-12, additional DHP government contribution funding has been made available to enable LAs to provide transitional support to claimants as they adjusted to the Housing Benefits (HB) Welfare Reforms.

3. The DHP funding for England and Wales in 2020-21 will be £179.5 million, which includes £139.5 million rolled over funding from 2019-20 and an additional £40 million allocated at the Spending Round.

4. The distribution of the rolled over DHP government funding comprises four separate areas of support and the effect of each of these elements on individual LAs:

- core funding
- Local Housing Allowance (LHA)
- removal of the Spare Room Subsidy (RSRS)
- benefit cap

5. The additional £40 million is allocated based on affordability pressures in the private rented sector.

6. Those LAs who spent less than 60% of their central government DHP funding in 2018-19 will have their 2020-21 allocation reduced.

Distribution of government contribution for English and Welsh LAs

7. Most LAs will receive the same amount as they received in 2019-20 in relation to the four funding streams; preventing a reduction in funding and ensuring stability and continuity.

Core funding (£18 million)

8. We have retained the same amount for distributing as in 2019-20. This was based on the proportion of LA spend on HB using the published data for 2018-19.

9. An adjustment for Universal Credit (UC) was based on the relative proportion of claimants entitled to UC Housing costs compared to HB.

LHA (£27 million)

10. The government contribution amount allocated for 2020-21 is the same for the majority of LAs as in 2019-20. The methodology for calculating the funding for 2019-20 was based on the estimated reduction in HB entitlement for each LA from the freeze in LHA rates in 2017-18. The Department for Work and Pensions administrative data was used to estimate how housing support amounts would change if LHA rates were increased rather than frozen. The differences were then aggregated by LA and used in order to allocate the pot. An adjustment for UC was based on the UC housing caseload in the private rented sector (PRS) relative to the HB PRS case load.

RSRS (£40.5 million)

11. The RSRS funding allocation for the majority of LAs is the same as allocated in 2019-20. This was based on the total reductions in HB from the RSRS using the data published in May 2018. The pot was then allocated based on the LAs proportion of total RSRS reductions in HB. The UC adjustment was applied based on the Working Age social rented sector (SRS) caseloads in HB relative to the SRS UC housing caseload.

Benefit cap (£54 million)

12. The benefit cap funding is the same for most LAs as was allocated in 2019-20. This was based on the LAs proportion of the estimated total reduction in benefit under the lower benefit cap. Capped households are identified along with the amount of reduction applied to their benefit. This was then aggregated at LA level in order to allocate the pot. Published statistics provide the number of households capped in both HB and UC full service in each LA. A UC adjustment was made based on internal live service benefit centre management information.

Allocation of additional £40 million

13. The £40 million additional funding has been split proportionately between LAs and based on the aggregated LHA shortfalls in each LA (in other words, the total amount by which actual rents exceed LHA rates for those claimants with rent above LHA rate). This meant that LAs with the greatest LHA shortfalls will receive a larger proportion of the £40 million funding.

14. Those LAs who underspent their 2018-19 DHP allocation by 60% or more will not be allocated any of the additional £40 million funding.

Underspending LAs – Reduction in funding

15. Those LAs who spent less than 60% of their central government DHP funding in 2018-19 will have their 2020-21 allocation reduced by 20% or 40%, depending on the proportion and value of the underspend.

16. The methodology for calculating the reduction is based on the difference between the total expenditure notified by the LAs on their DHP3 final claim form 2018-19, and the LAs notified government contribution for the same year.

17. The withheld funding will be reallocated to those LAs that supplemented their central government contribution in 2018-19.

Annex A: 2020-21 DHP government contribution LA allocations

LA	Total DHP allocation (in £) 2020-21	Overall limit (x2.5)
Adur	168,126	420,314
Allerdale	251,264	628,161
Amber Valley	193,501	483,753
Arun	422,432	1,056,079
Ashfield	316,580	791,451
Ashford	352,710	881,775

Babergh	150,814	377,035
Barking and Dagenham	1,223,600	3,059,000
Barnet	2,526,255	6,315,639
Barnsley	720,931	1,802,327
Barrow-in-Furness	148,902	372,256
Basildon	538,755	1,346,888
Basingstoke and Deane	398,061	995,154
Bassetlaw	240,479	601,197
Bath and North East Somerset	349,525	873,813
Bedford	408,200	1,020,499
Bexley	688,642	1,721,606
Birmingham	4,974,787	12,436,969
Blaby	129,609	324,022
Blackburn with Darwen	474,805	1,187,012
Blackpool	303,605	759,013
Blaenau Gwent	267,969	669,923
Bolsover	193,224	483,059
Bolton	917,004	2,292,511

Boston	153,166	382,916
Bournemouth, Christchurch and Poole	1,200,501	3,001,254
Bracknell Forest	245,792	614,480
Bradford	1,523,116	3,807,790
Braintree	307,762	769,405
Breckland	278,352	695,881
Brent	2,780,978	6,952,445
Brentwood	147,687	369,217
Bridgend	432,309	1,080,773
Brighton and Hove	1,169,565	2,923,913
Bristol, City of	1,351,386	3,378,464
Broadland	158,116	395,289
Bromley	893,289	2,233,221
Bromsgrove	127,385	318,463
Broxbourne	428,467	1,071,167
Broxtowe	159,716	399,290
Buckinghamshire	1,031,565	2,578,913
Burnley	321,111	802,778

Bury	440,563	1,101,407
Caerphilly	618,141	1,545,354
Calderdale	739,313	1,848,284
Cambridge	236,598	591,495
Camden	1,006,932	2,517,331
Cannock Chase	178,686	446,714
Canterbury	363,461	908,651
Cardiff	1,274,380	3,185,950
Carlisle	143,001	357,502
Carmarthenshire	471,791	1,179,477
Castle Point	282,788	706,970
Central Bedfordshire	461,696	1,154,241
Ceredigion	347,593	868,981
Charnwood	284,445	711,112
Chelmsford	356,241	890,603
Cheltenham	220,723	551,807
Cherwell	328,842	822,106
Cheshire East	614,359	1,535,897

Cheshire West and Chester	781,138	1,952,845
Chesterfield	257,306	643,265
Chichester	250,037	625,091
Chorley	193,443	483,608
City of London	20,893	52,231
Colchester	470,417	1,176,043
Conwy	271,196	677,991
Copeland	207,191	517,977
Corby	214,096	535,240
Cornwall	1,430,828	3,577,071
Cotswold	130,889	327,222
County Durham	1,513,130	3,782,826
Coventry	1,433,773	3,584,432
Craven	145,907	364,768
Crawley	367,018	917,546
Croydon	2,280,447	5,701,118
Dacorum	428,732	1,071,830
Darlington	287,586	718,966

Dartford	291,443	728,607
Daventry	150,835	377,086
Denbighshire	250,826	627,066
Derby	681,654	1,704,134
Derbyshire Dales	104,319	260,797
Doncaster	903,953	2,259,882
Dorset	994,891	2,487,226
Dover	328,475	821,187
Dudley	863,075	2,157,688
Ealing	2,590,204	6,475,511
East Cambridgeshire	119,887	299,718
East Devon	279,520	698,799
East Hampshire	157,405	393,512
East Hertfordshire	278,639	696,598
East Lindsey	425,986	1,064,964
East Northamptonshire	150,978	377,445
East Riding of Yorkshire	674,490	1,686,225
East Staffordshire	237,698	594,246

East Suffolk	610,671	1,526,678
Eastbourne	457,089	1,142,722
Eastleigh	244,628	611,571
Eden	172,368	430,919
Elmbridge	311,621	779,053
Enfield	2,973,507	7,433,768
Epping Forest	143,780	359,450
Epsom and Ewell	191,827	479,567
Erewash	236,498	591,244
Exeter	245,491	613,728
Fareham	153,951	384,878
Fenland	251,145	627,862
Flintshire	369,149	922,874
Folkestone and Hythe	406,154	1,015,385
Forest of Dean	132,532	331,331
Fylde	154,309	385,773
Gateshead	648,420	1,621,050
Gedling	211,344	528,361

Gloucester	350,433	876,083
Gosport	125,276	313,191
Gravesham	301,457	753,642
Great Yarmouth	380,828	952,070
Greenwich	1,127,855	2,819,636
Guildford	255,284	638,211
Gwynedd	799,687	1,999,218
Hackney	2,110,089	5,275,224
Halton	527,810	1,319,524
Hambleton	134,634	336,586
Hammersmith and Fulham	1,003,495	2,508,738
Harborough	96,617	241,542
Haringey	2,072,028	5,180,069
Harlow	294,598	736,495
Harrogate	265,282	663,206
Harrow	1,196,203	2,990,509
Hart	153,292	383,231
Hartlepool	439,542	1,098,856

Hastings	478,267	1,195,668
Havant	292,656	731,640
Havering	830,910	2,077,275
Herefordshire, County of	56,760	891,900
Hertsmere	348,911	872,278
High Peak	153,667	384,166
Hillingdon	1,139,590	2,848,974
Hinckley and Bosworth	161,201	403,003
Horsham	215,901	539,753
Hounslow	1,476,303	3,690,757
Huntingdonshire	287,692	719,230
Hyndburn	253,753	634,383
Ipswich	374,877	937,191
Isle of Anglesey	268,673	671,682
Isle of Wight	426,403	1,066,006
Isles of Scilly	833	2,081
Islington	1,007,226	2,518,066
Kensington and Chelsea	973,632	2,434,081

Kettering	213,131	532,827
King's Lynn and West Norfolk	337,208	843,019
Kingston upon Hull, City of	992,912	2,482,281
Kingston upon Thames	557,440	1,393,601
Kirklees	913,088	2,282,720
Knowsley	722,714	1,806,786
Lambeth	1,590,641	3,976,603
Lancaster	371,502	928,754
Leeds	2,177,251	5,443,127
Leicester	1,139,971	2,849,928
Lewes	298,944	747,359
Lewisham	1,552,496	3,881,240
Lichfield	145,858	364,644
Lincoln	250,113	625,282
Liverpool	2,098,412	5,246,031
Luton	981,846	2,454,616
Maidstone	406,051	1,015,128
Maldon	101,387	253,467

Malvern Hills	134,682	336,704
Manchester	2,538,308	6,345,769
Mansfield	163,351	408,378
Medway	886,420	2,216,049
Melton	74,010	185,024
Mendip	279,718	699,295
Merthyr Tydfil	278,396	695,990
Merton	756,454	1,891,134
Mid Devon	142,558	356,395
Mid Suffolk	138,742	346,854
Mid Sussex	267,931	669,828
Middlesbrough	724,515	1,811,288
Milton Keynes	812,329	2,030,823
Mole Valley	126,364	315,909
Monmouthshire	238,856	597,140
Neath Port Talbot	538,505	1,346,263
New Forest	367,823	919,559
Newark and Sherwood	220,936	552,339

Newcastle upon Tyne	1,091,422	2,728,554
Newcastle-under-Lyme	215,702	539,255
Newham	2,361,926	5,904,814
Newport	749,659	1,874,149
North Devon	246,097	615,243
North East Derbyshire	205,689	514,223
North East Lincolnshire	513,262	1,283,154
North Hertfordshire	247,038	617,595
North Kesteven	172,612	431,529
North Lincolnshire	249,873	624,684
North Norfolk	203,191	507,976
North Somerset	519,174	1,297,936
North Tyneside	558,563	1,396,406
North Warwickshire	106,863	267,157
North West Leicestershire	167,110	417,775
Northampton	543,760	1,359,400
Northumberland	730,397	1,825,992
Norwich	461,491	1,153,727

Nottingham	1,160,722	2,901,804
Nuneaton and Bedworth	315,095	787,737
Oadby and Wigston	107,720	269,299
Oldham	793,085	1,982,713
Oxford	459,192	1,147,979
Pembrokeshire	431,609	1,079,023
Pendle	211,209	528,023
Peterborough	671,924	1,679,810
Plymouth	812,410	2,031,024
Portsmouth	793,153	1,982,883
Powys	585,499	1,463,746
Preston	395,962	989,905
Reading	668,150	1,670,376
Redbridge	1,598,219	3,995,547
Redcar and Cleveland	489,617	1,224,042
Redditch	161,745	404,362
Reigate and Banstead	340,034	850,086
Rhondda, Cynon, Taff	666,323	1,665,808

Ribble Valley	63,325	158,313
Richmond upon Thames	502,604	1,256,511
Richmondshire	147,327	368,316
Rochdale	702,642	1,756,605
Rochford	171,318	428,294
Rossendale	127,811	319,528
Rother	271,118	677,795
Rotherham	765,828	1,914,571
Rugby	204,660	511,650
Runnymede	191,799	479,497
Rushcliffe	149,569	373,924
Rushmoor	292,051	730,127
Rutland	42,774	106,935
Ryedale	230,160	575,400
Salford	991,896	2,479,739
Sandwell	1,279,033	3,197,583
Scarborough	325,267	813,168
Sedgemoor	345,998	864,994

Sefton	925,029	2,312,572
Selby	127,364	318,410
Sevenoaks	238,106	595,264
Sheffield	1,353,200	3,383,001
Shropshire	546,034	1,365,086
Slough	858,616	2,146,539
Solihull	439,526	1,098,815
Somerset West and Taunton	452,759	1,131,898
South Cambridgeshire	184,054	460,135
South Derbyshire	156,990	392,475
South Gloucestershire	462,554	1,156,386
South Hams	173,097	432,741
South Holland	159,737	399,343
South Kesteven	289,933	724,831
South Lakeland	133,426	333,564
South Norfolk	205,583	513,958
South Northamptonshire	97,107	242,766
South Oxfordshire	235,908	589,769

South Ribble	180,287	450,717
South Somerset	315,793	789,482
South Staffordshire	151,916	379,791
South Tyneside	571,292	1,428,230
Southampton	822,494	2,056,235
Southend-on-Sea	746,322	1,865,806
Southwark	1,352,728	3,381,821
Spelthorne	343,844	859,610
St Albans	256,884	642,210
St. Helens	615,363	1,538,407
Stafford	172,454	431,136
Staffordshire Moorlands	121,024	302,561
Stevenage	250,549	626,373
Stockport	514,426	1,286,064
Stockton-on-Tees	564,669	1,411,672
Stoke-on-Trent	738,322	1,845,804
Stratford-on-Avon	215,461	538,653
Stroud	98,410	246,026

Sunderland	498,548	1,246,370
Surrey Heath	135,130	337,826
Sutton	637,287	1,593,218
Swale	480,245	1,200,612
Swansea	635,429	1,588,574
Swindon	549,407	1,373,517
Tameside	735,356	1,838,389
Tamworth	182,433	456,083
Tandridge	190,960	477,399
Teignbridge	314,681	786,701
Telford and Wrekin	618,017	1,545,043
Tendring	579,037	1,447,592
Test Valley	206,050	515,125
Tewkesbury	142,189	355,473
Thanet	646,951	1,617,378
The Vale of Glamorgan	283,494	708,734
Three Rivers	220,091	550,226
Thurrock	653,645	1,634,113

Tonbridge and Malling	267,941	669,852
Torbay	625,048	1,562,620
Torfaen	341,523	853,807
Torrige	150,629	376,571
Tower Hamlets	1,927,869	4,819,673
Trafford	543,352	1,358,380
Tunbridge Wells	219,883	549,708
Uttlesford	118,042	295,104
Vale of White Horse	224,870	562,176
Wakefield	979,593	2,448,982
Walsall	988,560	2,471,401
Waltham Forest	1,370,057	3,425,142
Wandsworth	1,310,781	3,276,953
Warrington	417,947	1,044,868
Warwick	197,719	494,299
Watford	358,308	895,771
Waverley	193,279	483,199
Wealden	304,462	761,154

Wellingborough	181,455	453,638
Welwyn Hatfield	311,424	778,560
West Berkshire	302,292	755,731
West Devon	176,587	441,467
West Lancashire	268,487	671,217
West Lindsey	217,575	543,937
West Oxfordshire	176,523	441,309
West Suffolk	300,531	751,328
Westminster	1,465,760	3,664,400
Wigan	784,691	1,961,726
Wiltshire	527,284	1,318,211
Winchester	173,021	432,553
Windsor and Maidenhead	295,295	738,237
Wirral	1,102,976	2,757,441
Woking	212,685	531,712
Wokingham	239,158	597,896
Wolverhampton	978,378	2,445,944
Worcester	215,132	537,831

Worthing	318,126	795,315
Wrexham	418,771	1,046,926
Wychavon	193,195	482,986
Wyre	245,996	614,989
Wyre Forest	221,071	552,678
York	297,923	744,807

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Discretionary Housing Payments Guidance Manual

Including Local Authority Good Practice Guide
August **2019**



Department
for Work &
Pensions

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Introduction

Purpose of this Guidance Manual

- 1.1. This guidance manual is for local authorities (LAs) in England and Wales who are responsible for administering Discretionary Housing Payments (DHPs). It provides guidance and advice on good practices that should be taken into account when payment of a DHP is being considered. This manual updates the previous guidance issued in March 2018.
- 1.2. Since April 2013, the guidance has reflected amendments to the Discretionary Financial Assistance Regulations 2001 (the DFA regulations), which ensure the scheme covers the introduction of Universal Credit (UC) and also the abolition of Council Tax Benefit.
- 1.3. The guidance together with the good practice guide offers advice on how DHPs can be used to provide support to claimants affected by some of the key welfare reforms, including:
 - the benefit cap;
 - removal of the spare room subsidy in the social rented sector;
 - changes to Local Housing Allowance (LHA) rates, including the 4-year freeze.
- 1.4. Since 2011 the Government has provided over £1 billion to local authorities to help support vulnerable people affected by different welfare reforms.
- 1.5. The good practice guide is intended to help LAs in their decision making process, however, they have overall responsibility for how DHPs are administered and paid, taking into account the impact of the welfare reforms and any other relevant factors. Due to the discretionary nature of the scheme it is important that LAs are flexible in their decision making.
- 1.6. This guidance also provides details on existing assurance arrangements that LAs are required to follow, including reporting measures that will help provide information about the use of DHPs.

What are Discretionary Housing Payments?

- 1.7. A DHP may be awarded when a LA considers that a claimant requires further financial assistance towards housing costs and is entitled to either Housing Benefit (HB) or UC with housing cost element towards rental liability. Please note that while the housing costs of the UC award notification may refer to support for mortgage interest payments, owner-occupiers are not eligible to receive DHPs.

- 1.8. For the purposes of this guidance, any reference to UC is where the claimant meets the above criteria, i.e. housing costs towards rental liability are included in the UC award.
- 1.9. The DHP scheme is set out in the DFA regulations (S.I.2001/1167) as amended by the Council Tax Benefit Abolition (Consequential Provisions) Regulations 2013 (S.I. 2013/458), which came into force on 1 April 2013; and the Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013 (S.I. 2013/630), which came into force on 29 April 2013. The DFA regulations as amended are referred to in this manual as ‘the regulations’.
- 1.10. Although the regulations give LAs very broad discretion, decisions must be made in accordance with ordinary principles of good decision making i.e. administrative law. In particular, LAs have a duty to act fairly, reasonably and consistently. Each case must be decided on its own merits, and your decision making should be consistent throughout the year.
- 1.11. LAs can use their own funds to top up their Government contribution by an additional 150 per cent in England and Wales. Once an authority’s overall cash limit is met, no additional DHPs can be awarded in that tax year. If you award above this limit, you are breaking the law. The legislation which specifies the overall limit on expenditure is Article 7 of the Discretionary Housing Payment (Grants) Order 2001 (S.I. 2001/2340).
- 1.12. Any unspent DHP funding from the Government contribution is returned to the Department for Work & Pensions (DWP) at the end of the financial year.
- 1.13. DHPs have been fully devolved from 1 April 2017, with the Scotland Act 2016 implementing the Smith Commission Agreement. DWP has transferred DHP funding to Scotland.
- 1.14. From 1 April 2017, the obligations for DHPs, and their allocations to Scottish LAs is now the responsibility of the Scottish Government.

What do we mean by ‘housing costs’?

- 1.15. ‘Housing costs’ are not defined in the regulations and this approach purposely allows broad discretion for interpretation. In general, ‘housing costs’ usually refers to rental liability, although the term can be interpreted more widely to include:
 - rent in advance;
 - deposits; and

- other lump sum costs associated with a housing need such as removal costs.
- 1.16. Council tax liability cannot be met by DHPs even where a claimant is receiving Local Council Tax Support.

What do we mean by ‘further financial assistance’?

- 1.17. The phrase ‘further financial assistance’ is not defined in law. LAs may interpret the phrase however they wish, taking into consideration the claimant’s financial circumstances and any other relevant factors. In most cases, however, a claimant will need to demonstrate that they are unable to meet housing costs from their available income or that they have a shortfall in rent as a result of the welfare reforms.
- 1.18. A DHP may cover all or part of a shortfall in rent or assist with the cost of taking up a tenancy.
- 1.19. See [Administering DHPs](#) and [The level of a DHP](#) later in this guidance.

Deciding whether to award a DHP

2. Section A: Awarding a DHP in Universal Credit

What are the criteria for an award?

Before considering an award, you must be satisfied that the claimant is entitled to:

- 2.1 UC that includes a housing cost element towards rental liability.
- 2.2 And requires further financial assistance with housing costs.
- 2.3 When the UC claimant is receiving housing benefit for their housing costs due to being in specified accommodation or temporary accommodation, in cases where an LA is meeting its duty to homeless persons in accordance with the Housing Act, please refer to [section B](#) awarding a DHP under housing benefit.
- 2.4 The current legislation makes it clear that you can only award a DHP to someone who is entitled to a relevant award of UC. The Discretionary Financial Assistance Regulations 2001 states; “the Universal Credit Regulations” means the Universal Credit Regulations 2013; a “relevant award of universal credit” means an award of universal credit the calculation of which includes an amount under section 11 of the

Welfare Reform Act 2012, calculated in accordance with Schedule 4 to the Universal Credit Regulations, or would include such an amount but for paragraph 3(h) or (i) of Schedule 1 to those Regulations.

- 2.5 A DHP can only be awarded after the end of the first UC assessment period where the award includes a payment of housing cost element.

Processing a DHP application under Universal Credit

- 2.6 When processing an application from a UC claimant, consideration should be given to:
- Total monthly household income including the whole value of the UC award
 - **Less**
 - Total monthly household expenses (which you deem reasonable)
 - **Equals**
 - Shortfall in income to consider for DHP award
- 2.7 The value of the DHP payment, for an ongoing award, may not exceed the value of the UC housing costs element, which may be obtained from Local Council Tax Reduction Scheme (LCTR) data share or the claimants UC statement.
- 2.8 The household income may be established by reviewing the claimants UC statement (Copy available from the claimant or via the LCTR data share information). Additional information may be located by using the customer information system (CIS).

What types of shortfall can DHPs cover in UC cases?

- 2.9 The various shortfalls that a DHP can cover include (but are not limited to):
- reductions in UC where the benefit cap has been applied;
 - reductions in UC due to the removal of the spare room subsidy;
 - reductions in UC as a result of LHA restrictions;
 - Housing cost contributions in UC from non-dependants;
 - rent shortfalls to prevent a household becoming homeless whilst the housing authority explores alternative options;
 - policy to limit benefit to two children;
 - removal of the family premium;
 - any other policy changes that limit the amount of UC payable; and
 - former HB only claimants who were previously in receipt of the Severe Disability Premium.

Can you award a DHP if a New Claim Advance for Universal Credit has been paid?

2.10 No. As confirmed in para. [2.4](#) a DHP may only be awarded after the end of the first assessment period.

Can you award a DHP if the claimant has a Managed Payment to Landlord?

2.11 Yes. Where it is in a claimant's best interests to have their housing costs paid direct to the landlord, for example because they have difficulty budgeting or have problems with arrears, a Managed Payment to Landlord (MPTL) is put in place. This does not change the overall amount of the UC award but simply how it is paid. This arrangement does not mean that the claimant isn't in need of additional support with housing costs. Where a MPTL applies, consideration should be given to making the DHP payment direct to the most appropriate payee, either the claimant or the landlord.

3. Section B: Awarding a DHP in Housing Benefit

What are the criteria for award?

- 3.1 Before making a payment you must be satisfied that the claimant is entitled to HB and requires further financial assistance with housing costs.
- 3.2 The current legislation makes it clear that you can only award a DHP to someone who is entitled to HB. Including UC claimants living in specified accommodation.
- 3.3 Further Guidance on the meaning of "Entitled" in relation to HB can be found in the conditions of entitlement set out in S130 of Contributions and Benefits Act 1992 as well as the conditions set out in the Housing Benefit Regulations 2006.

What types of shortfall can DHPs cover?

- 3.4 The various shortfalls of HB that a DHP can cover include (but are not limited to):
 - reductions in HB where the benefit cap has been applied;
 - reductions in HB due to the removal of the spare room subsidy;
 - reductions in HB as a result of LHA restrictions;

- rent officer restrictions such as local reference rent or shared accommodation rate;
- non-dependant deductions in HB;
- rent shortfalls to prevent a household becoming homeless whilst the housing authority explores alternative options;
- policy to limit benefit to two children;
- income taper reduction;
- removal of the family premium and
- any other policy changes that limit the amount of HB payable

4. Section C: Rent deposits and rent in advance

- 4.1 A DHP can be awarded for a rent deposit or rent in advance for a property that the claimant is yet to move into if they are already entitled to HB or UC at their present home. Regard should be given to the Court of Appeal's decision in *R v. LB Lambeth, ex parte Gargett* which sets out that any HB already paid towards 'housing costs' must be deducted when calculating the amount of a DHP to avoid duplicate provision.
- 4.2 The 'Gargett' case relates to rent arrears and specifically whether a DHP could be used to pay a lump sum towards rent arrears (the Court of Appeal found that a DHP could be used for this purpose). However, the case also discusses the issue of duplication of DHPs and HB. In relation to preventing duplication of provision, part of the decision states *"housing benefits already paid for past housing costs must also be deducted. This is implicit in the purpose for which DHPs may be made. Otherwise the applicant would be receiving DHPs for housing costs that have already been met by past payment of housing benefits. It would not be a case for a need for "further" financial assistance to meet "housing costs"*.
- 4.3 The case does not prevent the use of a DHP for rent in advance but indicates that when making such a decision on whether DHP can be used, you may consider:
- Whether there is likely to be a duplication of payments for the initial part of the tenancy if the DHP is made; and
 - If so, is there any means to avoid this.
- 4.4 If you decide that there is no way to avoid a duplication of the payment and the claimant is entitled to a DHP in respect of housing costs (specifically a rent payment in advance), then you may still award a DHP.
- 4.5 When awarding a DHP for a rent deposit or rent in advance, you may wish to be satisfied that:

- the property is affordable for the tenant; **and**
 - the tenant has a valid reason to move; **and**
 - the deposit or rent in advance is reasonable.
- 4.6 It should be remembered that it may not always be possible for the claimant to seek the most affordable accommodation, for example, when someone fleeing the home due to domestic abuse needs to seek a place of safety such as a refuge service.
- 4.7 You may also wish to establish with the claimant whether they:
- are due to have a deposit or rent in advance in respect of their existing tenancy returned to them; or
 - have received assistance from another department within the LA towards a rent deposit, for example, a rent deposit guarantee scheme or similar.
- 4.8 It should be borne in mind, however, that tenants will typically not receive a returned deposit until they have vacated a property and begun a new tenancy. Therefore, a refund may not be readily available at the time the DHP is requested.
- 4.9 DHPs are not specifically linked to any rent deposit or rent in advance scheme and their discretionary nature allows them to be used for this purpose. There may be other local schemes that offer similar support towards rent deposits or rent in advance, such as local emergency support provided by LAs or charities. Each LA decides how they operate their local scheme.
- 4.10 Using DHPs to help with a rent deposit or rent advance may be particularly appropriate to help claimants move to alternative accommodation where their award of HB has been restricted following one of the welfare reforms. It may also be appropriate to consider using DHPs for this purpose if, for example, your LA rent deposit scheme is limited or exhausted.
- 4.11 The regulations are wide enough to permit this on the basis of a claimant's entitlement to HB or UC at their current home. A DHP can therefore be made towards housing costs for a property other than the one for which benefit has been awarded.
- 4.12 Regulation 4 places a limit on the DHP award (see [The level of a DHP](#)) so that it does not exceed the weekly or monthly eligible rent on the claimant's home. However, the limit only applies where the award is calculated as a weekly (HB) or monthly (UC) sum, for example, to meet an on-going rent shortfall.
- 4.13 In a case where you are awarding a DHP for rent in advance or a deposit, the weekly or monthly limit does not apply because a lump sum is being awarded to meet an immediate housing need.

- 4.14 When awarding a DHP for a deposit it may be prudent to include information in the award notification about landlords' legal obligations to protect any deposit paid in a Government approved tenancy deposit protection scheme. Compliance with this requirement may help reduce the need for future help with deposits. Further information can be found at: <https://www.gov.uk/tenancy-deposit-protection/overview>
- 4.15 When making a DHP to assist the claimant with securing a new tenancy you may wish to consider making the payment to the landlord rather than the claimant.
- 4.16 As a lump sum payment for a deposit or rent in advance is not made in respect of a period, you only need to be satisfied that the claimant is entitled to HB or UC at the point the award is made.
- 4.17 If the deposit or rent in advance is for a property outside of your area this does not prevent a payment being made if the claimant is currently in receipt of HB or UC within your area.
- 4.18 Once a DHP has been made to the claimant for a deposit or rent in advance, the regulations do not permit you to recover the DHP award at the end of tenancy. A DHP may only be recovered from a claimant in specific circumstances – see [Overpaid DHPs](#) later in this guidance.

DHPs and two homes

- 4.19 The regulations allow a DHP to be awarded in respect of two homes when someone is treated as temporarily absent from their main home. This includes those who have fled their main home because they are a victim of domestic abuse. Please refer to the Housing Benefit Regulations 2006 (S.I. 2006/213) (HB regulations) or Universal Credit Regulations 2013 (S.I. 2013/376) (UC regulations) for the time restrictions on these provisions.
- 4.20 In such cases of temporary absence - if the claimant is treated as liable for rent on both properties, and in both cases there is a shortfall, it is possible to award a DHP in respect of both properties subject to the weekly or monthly limit on each property (see [The level of a DHP](#))
- 4.21 If the claimant is only treated as liable for HB or UC on one home, but is having to pay rent on two, a DHP could be made to cover the costs of the second home; the HB or UC eligible rent for the main home is the maximum award. For example, a claimant may be temporarily absent from their main home to stay near a child receiving treatment in hospital. They are incurring costs on their temporary dwelling but their housing costs are covered for their main home. A DHP could be considered to help cover the costs on the claimant's temporary dwelling.

- 4.22 In cases of domestic abuse, the victim may have fled from, or to, another area to seek safety. It may be useful for respective LAs to collaborate and agree which authority will support which home.

What DHPs cannot cover

- 4.23 There are certain elements of a claimant's rent that the HB and UC regulations exclude so they cannot be included as 'housing costs' for the purposes of a DHP.
- 4.24 Excluded elements are:
- ineligible service charges, including provision and costs of white goods
 - increases in rent due to outstanding rent arrears
 - certain sanctions and reductions in benefit.
- 4.25 See [Appendix A](#) for more details.

The level of a DHP award

- 4.26 If the purpose of the DHP is to meet an on-going rental liability, it is entirely up to you how much you decide to meet. However, the regulations require that the level of DHP does not exceed the weekly HB eligible rent.
- 4.27 Regard should be given to the Court of Appeal's decision in *R v. LB Lambeth, ex parte Gargett* which sets out that any HB already paid towards 'housing costs' must be deducted when calculating the amount of a DHP to avoid duplicate provision [see above paragraph 2.5].
- 4.28 Regulation 12(1) of the HB regulations (and the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (S.I. 2006/214)) define which payments qualify as rent and therefore in respect of which HB may be paid.

Payment cycles

- 4.29 Payments to meet a weekly or monthly rental liability may be made at the same frequency as the HB or UC payment. It is up to you to decide. However, you should consider the aims of UC when deciding a payment frequency for a UC claimant, with monthly payments designed to replicate the world of work and develop financial capability for claimants

5. Applying for a DHP

The application process

- 5.1 The regulations require that there must be an application for a DHP before your LA can consider making a payment, which may or may not be in writing.
- 5.2 You can decide how the application process will operate. If you decide not to use a written form, other methods can be considered such as electronic, telephone or face to face customer interviews.
- 5.3 Although you can decide what constitutes an application, in each case, there must be something which triggers that application. This could be something as simple as a telephone call asking the claimant if they wish to apply for a DHP or a claimant declaring that they are having financial difficulties and are unable to meet their rent liability.
- 5.4 Throughout the process LAs have a duty to act consistently. In addition, you might automatically invite claimants who have suffered a shortfall in their rent as a result of the welfare reform changes to make an application for a DHP while at the same time advising the claimant of mitigating actions.

Who can apply for DHPs

- 5.5 In most cases, the person who applies for a DHP will be the HB or UC claimant.
- 5.6 However, if it is reasonable in the circumstances, an application can be accepted from someone acting on behalf of the HB or UC claimant. This could be an appointee or advocate, for example, if the person is vulnerable and requires support; or the claimant may request that someone acts on their behalf.

Who you can pay

- 5.7 A DHP may be paid to someone other than the claimant if your LA considers it reasonable to do so. That could be an agent, an appointee or a landlord.
- 5.8 In the case of a person who is entitled to rent rebate, DHPs can be credited to the rent account.

Information a claimant must give

- 5.9 When someone applies for a DHP they must provide:
- information that you require in order to make a decision or look at a decision again; for example, details of income, capital and expenditure.
 - any other information you consider reasonably necessary in connection with their application.
- 5.10 In establishing if the claimant requires further financial assistance you can decide how to treat any expenditure, offsetting it against income intended to assist with such expenditure as appropriate.
- 5.11 When deciding how to treat income from disability-related benefits such as Disability Living Allowance (DLA) or the Personal Independence Payment (PIP), you must have regard to the decision of the High Court in *R v. Sandwell MBC, ex parte Hardy*. This decision places an obligation on LAs to consider each DHP application on a case by case basis having regard to the purpose of those disability related benefits and whether the money from those benefits has been committed to other liabilities associated with disability.
- 5.12 You can also take account of unavoidable costs that the claimant may have, such as fares for travel to work. This may include, for example, people who have had to move as a result of welfare reforms.
- 5.13 You will need to decide locally how you treat income and expenses when calculating the amount of the DHP. However, in all cases you should consider what is reasonable and not create a process that is too onerous for the claimant.
- 5.14 If a claimant is receiving HB, the information already held by your LA regarding a person's income and rental liability can also be used to assess DHP applications.
- 5.15 If a claimant is in receipt of UC, any information held for Local Council Tax Support may also be used to process a DHP application.
- 5.16 Following the tragic terrorist attacks in Manchester on 22 May 2017 and London on 3 June 2017, compensation schemes ("We Love Manchester Emergency Fund" (WLMEF) and "London Emergencies Trust" (LET)) have been set up to help those affected. From 19 June 2017 regulations came into force which exempt these payments. Both WLMEF and LET are adopting similar principles to the London Bombings Relief Charity Fund (LBRCF) set up in 2005.
- 5.17 From 19 June 2017 all payments made by either WLMEF or LET are fully disregarded for the purposes of calculating HB, and applies to existing and new claims. This covers the injured, deceased person and

their spouse, partner, civil partner and child. Therefore, you should be mindful that these payments may be made and not exclude any individuals who have been affected when considering any DHP applications.

Telling the claimant of the decision

- 5.18 You must inform the claimant of the DHP decision either in writing or electronically (if the claimant has agreed to this). This information should include appropriate explanations and/or any reasons for non-payment. This must be done as soon as is reasonably practicable. Your LA must be consistent and avoid unnecessary delay, taking into account that an application for DHPs is often to deal with an immediate need.
- 5.19 When issuing a decision, you should provide information about the process that you have in place for reviewing the decision. As DHPs are discretionary arrangements, there are no rights of appeal to a Social Security Tribunal, although the route of judicial review is available. See [Dispute procedures](#) later in this guidance.
- 5.20 You should also clearly distinguish the dispute/appeal rights that apply to HB, UC and/or Local Council Tax Support. It is important that claimants are not inadvertently led to believe that such appeal rights also apply to DHPs.
- 5.21 There is no legal requirement to notify landlords of a DHP decision, although you may wish to do so where the claimant has consented. However, you should be careful not to breach any obligations of confidentiality owed to the claimant, including:
- under Article 8 of the European Convention on Human Rights (ECHR) (right to respect for private and family life); and
 - data protection law.
- 5.22 If you are already paying HB to the landlord and later award a DHP, it may be appropriate to advise the landlord that the DHP is also being paid directly to them. This may equally apply where a person is receiving UC and some of that award of that is being paid to the landlord in respect of housing costs.

Backdating a DHP

- 5.23 When deciding whether or not to backdate a DHP, each application should be considered on its own merits. There are no restrictions on the length of the backdating period beyond a prohibition on awarding DHP for any date prior to 2 July 2001, when the scheme began, but you do have a duty to act consistently.

- 5.24 DFA regulations require that a DHP can only be considered for a period where the linked HB or relevant award of UC is payable. This is of particular relevance to requests for a period of backdated DHP.
- 5.25 DHPs are usually made in respect of an immediate need rather than a past period, however, you may consider it appropriate to make a backdated DHP award in some cases. For example, where a claimant is subject to a rent shortfall due to welfare reforms and has accrued rent arrears during the transition period between a reduction in benefit and moving into employment. In this case it may be prudent for you to award a backdated DHP to meet those arrears so as not to undermine the claimant's move into employment. In other cases, a DHP could be used to facilitate a move of home (such as through a mutual exchange) where a landlord will not allow a move for someone who is in arrears.

6. Administering DHPs

Who can accept applications?

- 6.1 Only a LA can accept applications for DHPs but this can include any department within the authority, including departments dealing with claims for Local Council Tax Support
- 6.2 As DHPs are not payments of HB or UC, provisions which allow designated offices such as Jobcentre Plus or Pension Centres to accept claims in certain circumstances, do not apply.

Who can administer DHPs?

- 6.3 Your LA has the choice of who, or which department, will administer, determine and award DHPs.
- 6.4 Where claimants have been placed outside of your local authority area, who administers the DHP will depend on whether a claimant is claiming HB or UC housing costs.
- 6.5 If your LA makes an out of borough placement and the claimant is entitled to HB, the placing authority will pay the HB and consider the DHP.
- 6.6 If your LA makes an out of borough placement and the claimant is required to make a claim for UC housing costs, within the area that they have been placed. The LA where the claimant is now living and claiming UC housing costs should consider the DHP. This is because the allocation of DHP funding is based on the caseload data within each LA area.

When can a DHP application be made?

- 6.7 There are no rules relating to when a person can apply for a DHP, but a payment can only be considered where there is a linked entitlement to HB or UC. You should ensure claimants are made aware of any time frame for applying and providing information in respect of a DHP application.
- 6.8 Where changes to benefit legislation are anticipated you may decide it is helpful to allow applications for DHPs in advance.
- 6.9 This may help you to manage the application process and avoid any potential surge in demand, as well as alleviate uncertainty for some claimants. You may then decide to inform the claimant of an award that could start at a future date, subject to any subsequent change in circumstances.

Method of payment

- 6.10 DHPs may be delivered via HB payment systems and may also be paid alongside HB payments. However, there must be a clear audit trail that allows your LA to differentiate, in any given case, between HB and DHPs.
- 6.11 If a DHP is paid with HB, notifications to the claimant must clearly show how much is the HB and how much is the DHP.
- 6.12 When DHP is awarded to a UC claimant, you may consider paying it at the same time as the monthly UC payment.

Contracting out

- 6.13 A contractor can carry out all functions relating to the administration of DHPs. This includes making decisions on whether or not to award a DHP. However only your LA can accept DHP applications.

7. Maintenance of DHPs

Length of payments

- 7.1 The length of time over which a payment is made is at the discretion of the LA. The period of the award and, importantly, any specific end date, should be made clear to the claimant. You may also want to provide information on how to re-apply for a DHP if necessary.
- 7.2 There is no limit to the length of time over which a DHP may be made. A time-limited award may be appropriate when an impending change of

circumstances will result in an increase in benefit. It may also be appropriate to make a short term award to give a claimant time to organise their financial or housing circumstances, particularly if they are trying to find alternative accommodation or gain employment. It should be remembered that if claimants have specific difficulties moving house without support you may wish to consider referring them to their Housing Options team.

- 7.3 Alternatively, you may wish to make a long term or indefinite award until the claimant's circumstances change. You should remember that it may be more appropriate to make a long term award in cases where a claimant's circumstances are unlikely to change, and making a short term award will cause them undue distress. An award could also be agreed in respect of a future period regardless of whether your LA's IT system can support a future award.
- 7.4 The start and end dates of an award are decided by LAs on a case by case basis. You should consider making the DHP award on a longer-term basis, including an indefinite award where appropriate, subject to a relevant change in their circumstances.
- 7.5 If the DHP is to meet a one off housing cost such as a deposit or rent in advance, there is no requirement to specify the period of the award.

Change of circumstances

- 7.6 A claimant receiving a DHP must notify you of any change of circumstances which may be relevant to their DHP application or award.
- 7.7 You must ensure that the claimant is aware of the changes they should report. There is no statutory timescale for notification; however, claimants should be advised to notify changes as soon as reasonably practicable. It is for you to decide the means by which such changes are notified.
- 7.8 Many changes of circumstance that claimants have a duty to report for HB may also be relevant to their DHP application. As such, LAs may use such information to review the level of the DHP.

When you can stop paying a DHP

- 7.9 There are instances other than a change of circumstances when a DHP can be stopped, before the end date already indicated to the claimant. These are when:
 - you decide that a DHP is being, and/or has been, made because a claimant has misrepresented or failed, fraudulently or otherwise, to disclose a material fact; and/or

- a claimant has been paid as a result of an error.

Overpaid DHPs

- 7.10 You can only recover a DHP if you decide that payment has been made as a result of:
- a misrepresentation or failure to disclose a material fact by the claimant (either fraudulently or otherwise), or
 - an error made when the application was determined.
- 7.11 In these circumstances the DHP can be recovered because it is classed as being overpaid.
- 7.12 A DHP cannot be recovered from on-going HB or UC. This is unlike HB overpayments where there is a regulatory provision to allow recovery from on-going HB.
- 7.13 There are also no provisions for the recovery of overpaid DHPs from other prescribed benefits.
- 7.14 Therefore, the only method of recovery, where a DHP is classed as overpaid, is to request repayment of the debt from the claimant or the landlord if the DHP is paid directly to them. This may be in the form of an invoice or any other method you choose, for example using debt collection agencies or via the courts. You may also consider offsetting overpaid DHPs if further DHPs are granted at a later date.

8. Dispute procedures

Introduction

- 8.1 The LA can review a DHP decision in the event of a dispute or where the claimant asks for a re-consideration.
- 8.2 A decision on a DHP does not carry a right of appeal to a Social Security Tribunal. The route of judicial review is available; and a complaint may be made to the Local Government Ombudsman if there is an allegation of maladministration.
- 8.3 There is flexibility in how you apply any dispute or re-consideration process. The decision may be looked at again in the light of representations made by the claimant (in whatever form you decide) or whenever you consider it appropriate.
- 8.4 You may also review a DHP decision in the event of a dispute either at the time of the initial rejection or following a cancellation or

recovery. LAs may consider that a review may be appropriate in other circumstances but should be consistent in any approach.

Reviewing the decision

- 8.5 You may decide who in the authority reviews a decision. There is no requirement that the review arrangements take any particular format as long as the authority is consistent and the original decision maker is not involved.
- 8.6 To minimise the risk of legal challenge you are advised to ensure that the review is carried out by a more senior colleague than the person who made the original decision.

Notifying the claimant

- 8.7 The claimant should be notified of any review outcome in writing, including reasons, as soon as is reasonably practical.

9. Assurance and Reporting Measures

Requests for information

- 9.1 DWP currently requests information in relation to DHPs:
- the mandatory DHP claim and estimate form;
 - the voluntary DHP monitoring form.
- 9.2 Both are outlined below and care should be taken to ensure the distinction is understood.

DHP funding 2019/20

- 9.3 Prior to 2011, the Government funding towards DHPs was £20 million per year. Following the introduction of the welfare reforms, this funding was increased to help LAs assist claimants affected by the welfare reforms including, where necessary, to make long term awards for those with on-going needs. In 2019/20, the total DHP central Government contribution for English and Welsh local authorities is £139.5 million.
- 9.4 LAs can use their own funds to top up their Government contribution by an additional 150 per cent in England and Wales.
- 9.5 DHP funding is allocated to LAs in respect of four funding streams based on the three welfare reforms (LHA, removal of the spare room

subsidy and the benefit cap), as well as “core” funding based on overall HB expenditure. Funding from each stream is allocated to LAs based on their caseloads and average financial reduction, or in the case of core funding, HB expenditure.

- 9.6 LAs will continue to receive a single allocation that is not ring-fenced into categories. However, LAs are asked to provide DWP with some additional information on a voluntary basis to monitor DHP spending.

DHP claim form

- 9.7 The Discretionary Housing Payments (Grants) Order 2001 (S.I. 2001/2340) places a legal obligation on LAs to submit forms providing details of DHP expenditure. Three forms must be submitted each year, an initial estimate form by 1 April of the preceding year, a mid-year estimate form by 1 September and a final DHP claim form by 30 April of the following year. Your LA is required to complete and return the forms to DWP Housing Delivery Division.
- 9.8 The DHP claim and estimate forms contain a LA certificate which must be signed by the Responsible Finance Officer within your LA who is designated as such under section 151 of the Local Government Act 1972. Due to the increase in DHP funding and following discussions with the National Audit Office (NAO), DWP has strengthened its assurance arrangements by including additional requirements in the LA certificate.
- 9.9 In addition to providing details of DHP expenditure, the Responsible Finance Officer must certify that all entries on the forms are accurate and expenditure has been incurred in accordance with this guidance and the regulations governing DHPs.
- 9.10 The DHP claim and estimate forms are the mechanism by which funding is provided to LAs.
- 9.11 The deadline of 30 April for the DHP claim form is a critical deadline across Government; it allows for faster closure of accounts as required by HM Treasury.

DHP monitoring form

- 9.12 Since April 2013, when voluntary monitoring forms were introduced, DWP has looked at how DHPs are being used to support claimants affected by the welfare reforms. As part of the DHP claim procedure LAs are asked to provide supplementary data on a voluntary basis in September and in April.
- 9.13 A monitoring form to record this data is provided however DWP recognises that not all data is kept in the same manner. Therefore, if

completing the monitoring form would result in an unnecessary burden on resources, we are content to receive this in other formats. Irrespective of the method used to provide this data it must be consistent with the total expenditure figure in the DHP claim form.

- 9.14 Your LA is asked to record the total number of applications received and the number of successful applications.
- 9.15 Following a successful application for DHP your LA is asked to record whether the claimant has been affected by one of the following:
- benefit cap
 - removal of spare room subsidy
 - local housing allowance restrictions
 - combination of reforms
 - none of the above
- 9.16 DWP also seeks the DHP amount actually paid to a claimant. For example, if a DHP of £10.00 per week for 10 weeks has been awarded, and the award runs for that whole period, you should record £100.00. If it is a one-off payment, simply record the amount paid. If there is a change of circumstances, and an award ceases your LA should record the amount of the DHP award actually paid out to the claimant. ([See Appendix B for more details.](#))
- 9.17 You are also asked to record the intended outcome by value of payments made. The outcomes are broadly grouped into the areas that cover the policy intention of DHPs:
- To help secure and move to alternative accommodation (for example rent deposit)
 - To help with short-term rental costs until the claimant is able to secure and move to alternative accommodation
 - To help with short-term rental costs while the claimant seeks employment
 - To help with short-term rental costs while the claimant seeks to increase their hours of employment enough to become exempt from the benefit cap
 - To help with on-going rental costs for a disabled person/s in adapted accommodation
 - To help with on-going rental costs for a foster carer
 - To help with short-term rental costs for any other reason
- 9.18 DWP does not require details of individual applications. Only the total amounts spent under each category are requested.

Former Grenfell Tower residents

- 9.19 If a DHP application is received from a former Grenfell Tower resident, please ensure that you record:
- the number of former Grenfell Tower residents who have applied for a DHP; and
 - whether they were awarded a DHP.
- 9.20 These details should be emailed to: dhp.monitoringinbox@dwp.gov.uk

Annex A: Discretionary Housing Payments Good Practice Guide

Section 1: Support for claimants affected by the benefit cap

Background to the benefit cap

1.0 Since April 2013 the total amount of benefit paid to working-age claimants has been subject to a cap. The benefit cap is applied either through HB or UC, as appropriate. For the purposes of applying the benefit cap we define a household as a claimant, their partner and any children they are responsible for and who live with them.

1.1 The benefit cap is applied by LAs through HB payments. When a household's total benefit entitlement exceeds the cap level, the LA reduces the level of HB by the excess amount.

A minimum amount of £0.50 is kept in payment when the reduction of the excess would otherwise remove all payments of HB.

1.2 Where UC is in payment the benefit cap is applied through UC.

1.3 From 7 November 2016 the amount at which benefits are capped reduced and were tapered to are;

- £23,000 in Greater London and £20,000 in the rest of Great Britain for couples and lone parents.
- £15,410 in Greater London and £13,400 in the rest of Great Britain for single childless households.

1.4 For those on HB, this equates to £442.31 per week in Greater London and £384.62 per week elsewhere in Great Britain for couple and lone parent households. The levels for single adults without children are £296.35 per week in Greater London and £257.69 per week elsewhere in Great Britain.

1.5 For those getting UC, the cap is applied to the monthly assessment period. The monthly equivalent limits are £1916.67 in Greater London and £1,666.67 elsewhere in Great Britain for couples and lone parent households and £1,284.17 in Greater London and £1,116.67 elsewhere in Great Britain for single households without children.

- 1.6 LAs are provided with information which identifies capped claimants alongside other data that is shared to support claimants who may be eligible for the Council Tax Reduction scheme. LAs can use this information to proactively support claimants to whom the benefit cap has been applied.

Exemptions

- 1.7 There are some exemptions from the cap for certain benefit recipients. The benefit cap is about incentivising work and promoting fairness for working households, whilst continuing to support the most vulnerable. Households in receipt of Housing Benefit with a member who is entitled to Working Tax Credit (WTC) are exempt.
- Lone parents can qualify for WTC by working 16 hours or more per week;
 - Couples with children have to work 24 hours or more a week (including one working at least 16);
 - Those without children have to be 25 years old or above and work 30 hours or more a week.
- 1.8 The in work exemption in UC applies to claimants earning a set amount or more a month. Currently the in work exemption applies when the household earns £569 or more per assessment period.
- 1.9 Households are also exempt from the cap when someone is in receipt of:
- Industrial Injuries Benefit (and equivalent payments made as part of a War Disablement Pension or the Armed Forces Compensation Scheme);
 - Disability Living Allowance (DLA);
 - Personal Independence Payment (PIP);
 - Attendance Allowance;
 - Armed Forces Independence Payment;
 - Where a person is not receiving DLA, Attendance Allowance or a War Disablement Pension because they are in hospital or a care home, the exemption will continue to apply;
 - Employment and Support Allowance with a support component, or for those on UC the limited capability for work and work-related activity component of UC;
 - Carer's Allowance (CA) or those who have an underlying entitlement or receive the Carer's element in UC;
 - Guardian's Allowance (GA).
 - War widows and war widowers are also exempt.
- 1.10 There is a grace period of 39 weeks, or 9 months in UC, for those claimants who have been in work for the previous 12 months. This

allows people time to find alternative employment or consider other options to avoid the impacts of the cap.

- 1.11 HB paid to households in specified accommodation is disregarded from the benefit cap calculation. The disregard applies to benefit cap cases under both HB and UC. While this does not mean that these households are exempt from the benefit cap, by not including HB in the UC calculation the majority of these cases will no longer be affected by the cap.

Support for those subject to the benefit cap

- 1.12 The Government has provided additional funding for DHPs to support claimants affected by the benefit cap who, as a result of a number of complex challenges, cannot immediately move into work or more affordable accommodation.
- 1.13 The funding for DHPs is specifically aimed at a number of groups who are likely to be particularly affected by the benefit cap. These include (but are not limited to):
- Those in temporary accommodation;
 - Individuals or families fleeing domestic abuse;
 - Those with kinship care responsibilities;
 - Individuals or families who cannot move immediately for reasons of health, education or child protection;
 - Households moving to, or having difficulty finding more appropriate accommodation;
 - Those with dual liability for housing costs;
 - Women within 11 weeks of the expected week of childbirth;
 - Households containing a young child, specifically a child aged 9 months and under, or a child aged under 2 years of age where childcare is a barrier to getting work.
 - Resettlement refugees
- 1.14 There will be a number of ways that claimants affected by the benefit cap may react to having their HB or UC reduced. The intention is that the majority will move into work and so become exempt from the cap. Some may choose to move whilst others may consider other means by which they might be able to meet any short fall such as trying to negotiate a reduction in their rent or meeting the shortfall from other income or capital.
- 1.15 Those that are affected by the cap will continue to have access to and receive support from Work Coaches in Jobcentre Plus to help them find work. People in receipt of WTC, or in UC who earn above the current earnings threshold, will be exempt from the cap.

- 1.16 DHPs can make an important contribution to managing the transition for claimants whilst they make the necessary changes to adapt to the application of the benefit cap. It is important to note that there will not be enough funding to meet every shortfall as a result of the benefit cap so your LA will need to target this funding at those who need it most. The allocation of this funding reflects the varying impact of this measure on different LA areas.
- 1.1.7 There may be circumstances when DHP is awarded and a subsequent successful application for an exempting benefit that is awarded retrospectively means the HB is paid again. DWP recommend that when deciding whether it is reasonable to make a DHP your LA considers the risk of eviction if arrears arise that may subsequently be covered by HB. For example, the risk may be very low for LA tenants and low for others with a good payment record but less so for claimants renting in the private sector.
- 1.18 The following examples show how your LA can use DHPs to assist those affected by the benefit cap.

Example

Mr and Mrs Smith rent a 3-bedroom property at £340.00 per week. They have two children, reside in Greater London and receive the following monthly benefits:

Child Benefit - £149.07

Universal Credit:

Standard Allowance £498.89

Housing £1473.33

Children £508.75

Total monthly benefits £2630.04

Benefit Cap Limit per month £1666.67

Benefit cap deduction - £963.37

Mr Smith has been unemployed for some time and has found it difficult to find employment in his usual vocation; he attends the Jobcentre regularly for support from his work coach and is also attending support with CAB for help with budgeting and finances they have suggested he applies for a DHP and support him to complete the application form online, as his UC account is all online the CAB help him print off his UC statement as evidence of his benefit entitlements.

In addition, Mr and Mrs Smith's oldest child is 15 years old and in the process of completing her GCSEs at school. Mr and Mrs Smith have found a cheaper property that would take them below the benefit cap in another area but it would mean their oldest child would have to move schools. They believe this would have a negative impact on their child's education.

You may decide to award a weekly DHP of up to £963.37 per month until Mr or Mrs Smith move into work or their eldest child completes her GCSEs.

Example

Mr Benn is claiming UC for himself, his partner and four children. Mr Benn is currently appealing the decision that he doesn't have limited capability for work and work-related activity. As no one in the household meets the criteria for an exemption the benefit cap will be applied.

Mr Benn does not want to look for different accommodation or look for any work he may be capable of, to reduce the impact of the benefit cap, until he is notified of the decision from his appeal. You may decide, subject to your assessment, to award a DHP until Mr Benn's appeal is heard and decided.

Example

Ms Jones has four children, aged 14, 12, 10 and the youngest aged 3 months. She is in receipt of Child Benefit, Universal Credit which includes a higher than average housing element due to where she currently lives. She is affected by the benefit cap and as her youngest child was born after 2017 she is affected by the two child policy.

Ms Jones was previously on Jobseekers Allowance and seeking work when, following a short term relationship, she became pregnant. She is seeking advice on managing her budget and help to finding cheaper accommodation.

As she has a very young child and the availability and costs of childcare is making it difficult to find work you may decide to award a DHP until either cheaper accommodation is found or she can start work. At which point she may also be able to reclaim some childcare costs and the cap may no longer apply.

Example

Ms Martin has two children and is receiving HB for temporary accommodation where she has been living for three months waiting for a permanent move.

In addition to her Jobseekers Allowance, Child Benefit and Child Tax Credits, Ms Martin is receiving higher than average HB as a result of the cost of rent for temporary accommodation. This means the benefit cap will apply to her.

Ms Martin is struggling to move into work as she does not have any qualifications or work experience. She is participating in a sector based work academy to improve her skills and chances of moving into work.

You may decide to award a DHP until permanent accommodation can be found for Ms Martin or she is able to move into work so she no longer has the benefit cap applied.

Section 2: Support for claimants affected by the removal of the spare room subsidy

Background to the removal of the spare room subsidy in the social rented sector

- 2.0 Since April 2013 working-age claimants living in the social rented sector have faced a reduction to their eligible rent if they are under-occupying their property. The level of under-occupation is determined by the LHA size criteria with the exception of the Shared Accommodation, which does not apply in the social rented sector.
- 2.1 The rates of reduction to the eligible rent for those affected by this policy are:
- 14 per cent where there is under-occupation by 1 bedroom; and
 - 25 per cent where there is under-occupation by 2 or more bedrooms.
- 2.2 DWP continues to expect that most claimants affected by this measure will find ways of making up the shortfall themselves, in order to remain in their existing home.
- 2.3 DWP would encourage all LAs to continue their work of engaging with affected claimants to identify effective ways of mitigating the effects of any reduction in entitlement.

Support for disabled people living in significantly adapted accommodation

- 2.4 For claimants living in specially adapted accommodation, it will sometimes be more cost-effective for them to remain in their current accommodation rather than moving them into smaller accommodation which needs to be adapted. DWP therefore recommends that LAs identify people who fall into this group and invite an application for a DHP.
- 2.5 In addition, LAs should consider DHP awards for claimants living in properties that have been significantly adapted for other household members such as for a disabled child or non-dependant.
- 2.6 There is no definition of significantly adapted accommodation. It is up to your LA to decide what constitutes significantly adapted accommodation, based on claimant need and local knowledge.

Example

Mr and Mrs Thom rent a 4-bedroom house from a registered housing provider. They have two children, a girl of 7 and a boy of 5.

Universal Credit payment summary (monthly)

Standard Allowance £498.89

Housing Element (Eligible rent £390 social housing under occupation rent restriction 25% -£292.50

Children £508.75

Carers element £160.20

Limited capability for work and work related activity element £336.20

Total before adjustments £1796.54

Taken off for unearned income – Carers allowance £286.65

Total monthly payment £1509.89

Under the size limit rules, they are considered to be under-occupying the house by two bedrooms as the children are both under ten years old and would be expected to share a room.

As the Thom's are under-occupying by two bedrooms a 25 per cent reduction of £97.50 per month would be applied to the eligible rent.

Mrs Thom is a wheelchair user and significant adaptations have been made to the property to make it more accessible. If the family moved to a smaller home, that property would then need to be adapted at considerable expense.

Mrs Thom on the advice of her disability support worker applies for a DHP, she prints off copy of her latest UC statement and attaches it to the application form to show the level of housing element she receives and also her rental contract from the housing provider to prove the amount of rent due.

Therefore, you should consider awarding a DHP of £97.50 per month to enable the family to meet their rent liability in full and consequently remain in their current adapted house

Support for disabled people who need an additional bedroom for an overnight carer

- 2.7 Claimants or their partners who require frequent care from a non-resident overnight carer or team of carers are allowed an additional bedroom for that carer under the size criteria.
- 2.8 The Government has amended legislation to extend this easement to children and non-dependants.
- 2.9 The relevant provision is the Housing Benefit and Universal Credit (Size Criteria) (Miscellaneous Amendments) Regulations 2017 (S.I. 2017/2013) which came into force from 1 April 2017.

- 2.10 In cases that fall outside of these regulations, for example, under UC where the qualifying disability benefit is not in payment but the disabled person requires frequent care from a non-resident overnight carer or team of carers, you should consider whether a DHP award is appropriate.

Support for approved or prospective adoptive parents

- 2.11 You can award DHPs to help support the overall adoption process; In particular, where claimants who have been approved as adopters are required to have a bedroom for an adopted child. Until the child forms part of the claimant's household, the removal of the spare room subsidy may apply and a DHP can be used to provide support in the interim period before the adopted child joins the family.
- 2.12 Similarly, people going through the approval process to become adoptive parents will need to show that they have a spare room for a child. If a DHP is paid on this basis it will be the responsibility of the claimant to inform their LA of any change of circumstances if, for example, they were not subsequently approved.
- 2.13 In some cases your LA will specify that an adopted child should have their own room, and not share with another child, which is in contrast to the size criteria rule. This is an example of where a DHP may be used on an on-going basis to provide support where an additional bedroom is not allowed for HB or UC purposes.

Example

Ms Roberts rents a 3-bedroom flat from her LA. She already has one daughter of her own, aged 7. She is matched with her new adoptive child, a 5-year-old girl, and the child moves into the third bedroom. Under the size criteria rules, the family is considered to be under-occupying the home by one bedroom as the children are both under ten years old and expected to share a room.

However social workers have made it clear that this particular adopted child must be able to have a room of their own because of the nature of their early life experiences. You should therefore consider awarding DHP in order to maintain and support the adoption process.

Support for approved or prospective foster carers

- 2.14 Foster Carers are allowed **one** extra bedroom under the size criteria rules providing they have fostered a child or became an approved foster carer within the last 52 weeks. This also applies to formal Kinship Carers in Scotland.

- 2.15 Some claimants may be caring for siblings, or for two or more unrelated foster children, and require additional bedrooms. National minimum standards for Fostering Services state that a foster child over the age of 3 should generally have their own room. However, the size criteria rules only allow foster carers (or formal Kinship Carers in Scotland) to have one extra bedroom; therefore, a DHP may be awarded to help cover any reduction in HB due the additional rooms that are required.
- 2.16 People going through the approval process to become foster carers will need to show that they have a spare room to be approved. If a DHP is paid on this basis it is the responsibility of the claimant to inform their LA of any change of circumstances if, for example, they were not subsequently approved.

Support for disabled children and couples or children who cannot share a bedroom

- 2.17 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 reasonably able to do so due to severe disability.
- 2.18 The relevant provisions are the Housing Benefit and Universal Credit (Size Criteria) (Miscellaneous Amendments) Regulations 2013 (S.I. 2013/2828) and the Rent Officers (Housing Benefit Functions) Amendment (No.2) Order 2013 (S.I. 2013/2827), which came into force from 4 December 2013.
- 2.19 The Government has now amended legislation to extend this easement to couples who cannot share a bedroom.
- 2.20 The relevant provision is the Housing Benefit and Universal Credit (Size Criteria) (Miscellaneous Amendments) Regulations 2017 (S.I. 2017/2013) which came into force from 1 April 2017.
- 2.21 In cases that fall outside of these regulations, for example, because the qualifying disability benefit is not in payment but they are unable to share a bedroom due to disability, you should consider whether a DHP award is appropriate. Consider especially those cases where a claim for a disability benefit has already been made but this has not yet been assessed.
- 2.22 In cases that fall outside of these regulations, for example, children who are unable to share a bedroom due to early childhood trauma. This may include children living in kinship care arrangements where a

children's social worker has identified that due to their individual needs/early childhood experiences it is not appropriate for two children to share a room.

Section 3: Support for claimants affected by Local Housing Allowance reforms

Background to the changes to LHA rates

- 3.0 Since April 2011 there have been a number of changes to the way LHA rates are calculated, including restrictions on the amount that can be paid to claimants. It is likely these changes contributed to an increase in demand for DHPs, particularly as transitional protection finished at the end of December 2012. The changes were:
- The removal of the five-bedroom rate.
 - Removal of the £15 a week excess.
 - Setting LHA rates at the 30th percentile of local rents in each Broad Rental Market Area (BRMA), rather than the median.
 - The introduction of weekly caps for each property size.
 - The extension of the age threshold for the Shared Accommodation Rate for single people from age 25 up to 34.
- 3.1 In April 2013 the procedures for anniversary renewal of LHA rates and monthly setting of rates ended and, instead, increases to LHA rates became integrated with the annual Consumer Price Index (CPI) inflation-based uprating process. This meant that for 2013/14, LHA rates were set at the lower of either the previous rate increased by CPI or the 30th percentile of local rents.
- 3.2 In April 2014 and April 2015, as part of a wider limitation on benefits uprating, increases to LHA rates were limited to 1 per cent, so rates were set at the lower of the 30th percentile of comparable market rents or the previous April's rate plus 1 per cent.
- 3.3 Alongside the measure to limit increases to LHA rate to 1 per cent, the Government made available 30 per cent of the savings from this policy to create Targeted Affordability Funding (TAF). The funding was used in 2014/15 and 2015/16 to increase some LHA rates by 4 per cent (subject to the national LHA caps) in areas where LHA rates had fallen farthest behind the 30th percentile.
- 3.4 From April 2016, in line with the freeze to uprating for some other benefits announced in the Summer Budget 2015, LHA rates have been frozen for 4 years. This means that rates will either remain at the April

2015 levels or will be set at the 30th percentile of market rents if this is lower.

- 3.5 There will be further TAF available to help prevent more areas in the private rented sector becoming unaffordable for HB tenants. The TAF will be drawn from estimated savings from the LHA 'freeze' and will be available from 2017/18 onwards. There was no funding available in 2016/17 as there were no savings from the measure due to zero inflation levels in the applicable month (September 2015). However, the majority of the LHA rates which previously increased by TAF in 2015/16 remained at those levels in 2016/17.
- 3.6 In 2017/18 the TAF was based on 30 per cent of the savings from the freeze and was used to increase 48 LHA rates by 3 per cent. Following the Autumn Budget 2017 additional TAF of £125 million has been made available for 2018/19 and 2019/20 and will be based on 50 per cent of the savings from the LHA freeze. The additional funding enabled 213 LHA rates to be increased by 3% in 2018/19 and 361 LHA rates to be increased by 3% in 2019/20
- 3.7 The LHA rates for each BRMA are published on the respective Rent Officer websites for England, Scotland and Wales.
- 3.8 The on-going impact of all of these measures depends on the choice of accommodation made by the claimant and other budgetary pressures they may be faced with. As there are variations in local rental markets across the country, some claimants may have a greater shortfall between their LHA and their rent than others.

Support for those subject to LHA restrictions

- 3.9 Following the changes to LHA from April 2011 a period of transitional protection was introduced to give existing claimants time to look for alternative accommodation or adjust to their revised award of HB.
- 3.10 Although transitional protection ended for the vast majority of claimants at the end of December 2012, some claimants may still need assistance with any shortfalls between their LHA and the amount of rent they have to pay. Additionally, the extension of the age threshold for the Shared Accommodation Rate (introduced from January 2012) may result in a greater demand for DHPs.
- 3.11 Limiting increases to LHA rates, such as the LHA 'freeze' from April 2016, could mean that some claimants have a greater shortfall between their LHA and their rent. This could increase the demand for DHPs in some areas, depending on the levels of local rent increases.
- 3.12 There are many ways in which your LA can help claimants deal with any shortfalls between their LHA and rent without reliance on DHPs. This

includes assisting claimants with rent negotiations with their landlords, working with Housing Options teams and liaising with partners such as welfare rights teams for benefit maximisation, debt counselling or money advice. Helping claimants manage their money reduces the likelihood of re-applications for DHPs.

- 3.13 The following examples show how DHPs may be used to assist those affected by the LHA changes.

Example

Susan is a care leaver aged 21 and works part time, earning £120.00 per week. Her rent is £200.00 per week and she receives HB of £172.76 per week.

Upon reaching her 22nd birthday, she no longer qualifies for the 1-bedroom LHA rate and is instead entitled only to the Shared Accommodation Rate, which in her case is £120 per week. This results in her HB award reducing to £92.76.

The reduction in benefit means Susan is struggling to pay her rent, however she does not wish to leave her job where she hopes to gain full time employment in the near future.

She applies for a DHP and the LA awards £70 per week for 10 weeks.

The LA decides that although DHP cannot meet the full shortfall or be paid long term, it will make up most of the difference in the short term to allow Susan time to either find full time employment or move into more affordable accommodation.

Example

Harry has to move from his bed-sit in central London as his landlord is increasing the rent and the shortfall between his UC housing costs will become unsustainable. His only income is from a part-time job with his net pay amounting to £520 per month.

With the assistance of his LA he finds a bed-sit in another borough within the LHA rate with a rent of £500 per month and he receives a direct payment of UC which includes rental housing costs totalling £380 per month. He now has bus fares of £80 per month instead of being able to walk to work. This leaves him struggling to pay his rent and meet his day-to-day living expenses. He discusses his problems with the Citizens' Advice Bureau and they suggest he applies for a DHP. One of the LA's objectives is to use DHPs to help people maintain their employment.

The LA carries out an income assessment and establishes that Harry has the following monthly income and expenses:

Universal Credit:

Standard allowance £317.82

Housing element £380

Earnings £520 after 63% taper adjustment £327.60

Monthly UC payment £370.22

Total income £890.22

Monthly expenses:

Travel £80

Food £220

Heating £80

Debts £40

General Expenses £80

Rent £500

Total £1000

This is £109.78 per month more than his combined income from UC and earnings. The local authority decides to award him £80 per month DHP as it considers that while he has shown a need for further financial assistance with housing costs, he could reasonably be expected to economise on some of his general expenses and food costs.

The LA makes a 6-month DHP award and also refers him to an advice agency to discuss his debt arrangements.

Section 4: Managing the DHP scheme

Overview

- 4.0 These examples of good practice aim to support you in the DHP decision making process. First and foremost, this is a discretionary scheme. Therefore, you should consider each case on its own merits rather than on a set of rigid pre-defined criteria.
- 4.1 A policy that is too rigid will effectively prevent you from exercising your discretion properly in individual cases. This could make some decisions vulnerable to challenge by judicial review.
- 4.2 However, this does not mean that you cannot develop a policy at all; it simply means that any DHP policy must be flexible and allow for deviation for unusual cases, however rare.
- 4.3 The examples are simply ideas as to what you may wish to think about when considering a DHP award. You should bear in mind that in some cases there may be a good reason for varying the decision making process or outcome.

Objectives for DHP awards

- 4.4 Some authorities have certain objectives in mind when considering whether to make an award of DHP; these are at the discretion of LAs and are not mandatory requirements. The objectives include, but are not limited to:
- alleviating poverty;
 - encouraging and sustaining people in, and into, employment;
 - tenancy maintenance and homelessness prevention;
 - safeguarding residents in their own homes;
 - helping those who are trying to help themselves;
 - keeping families together;
 - supporting those with kinship or shared care arrangements;
 - ensuring that domestic abuse victims who are trying to move to a place of safety are supported;
 - supporting the vulnerable, including young children and the elderly in the local community;
 - helping claimants through personal and difficult events;
 - supporting young people in the transition to adult life;
 - promoting good educational outcomes for children and young people;
 - supporting the work of foster carers;
 - supporting disabled people to remain in adapted properties;
 - supporting care leavers;

- supporting refugees.

Publicising DHPs

- 4.5 It is important to publicise the existence of DHPs as they are a key element of the Government's strategy for managing reductions to HB or UC arising from welfare reform. We recommend that LAs point to the availability of DHPs when contacting claimants who are due to be potentially affected by a particular welfare reform.
- 4.6 For a cash-limited scheme such as this it is important that organisations which support individuals, as well as individuals themselves, are aware of the help available. The Government has increased the DHP budget to assist with the transition of welfare reforms and it is important that the increased funding is made available to those who most need it. It is good practice to publicise DHPs for vulnerable groups, such as people affected by domestic abuse or those leaving care services.
- 4.7 In order to raise awareness of DHPs, you may wish to consider various methods of communication such as:
- including information on all HB decision notices where there is a shortfall;
 - leaflets and posters;
 - giving advice on DHPs when people contact your LA to discuss a claim;
 - proactively assisting vulnerable claimants to make applications by, for example, visiting them in their own homes;
 - ensuring that domestic abuse victims who are trying to move to a place of safety through contact with external welfare organisations and refugees are supported
 - informing external and internal bodies that give advice (money advice, welfare rights, homelessness, housing etc.) of the existence of DHPs;
 - establishing and maintaining links to ensure awareness of the scheme among staff working in housing options, homelessness and adult and children's services;
 - including DHP advice as part of general welfare advice services;
 - making landlords aware of the scheme (private landlords, housing associations and Registered Providers);
 - establishing links with social housing tenants and residents' organisations to ask them to help raise awareness of the scheme;
 - raising awareness by having information of the scheme available at tenants and residents' forums;
 - information on your LA website or arranging to include information on partner housing association websites;
 - information on Choice Based Lettings scheme websites;

- information within literature or communications relevant to housing allocations policies or placements;
- raise awareness through interviews with local radio, including stations targeting different ethnic groups;
- targeted communications aimed at those likely to be affected - by telephone, text message or social media such as Twitter.

Administration of DHPs

4.8 The administration of DHPs remains the responsibility of your LA. It is entirely up to you how you administer DHPs but you may wish to consider the following suggestions:

- Would using the same payment cycles as the claimant's HB or UC make the system easier to operate?
- A second member of staff could check the decision to ensure consistency.
- Some LAs find a partnership approach between HB departments and other housing departments such as Housing Options, Housing Strategy and private rented sector access schemes highly effective in making best use of DHPs.
- To ensure awards are reviewed and monitored, a system for example a spread-sheet, could be utilised.
- It may be appropriate to visit claimants in their own home as it helps to confirm their circumstances and establish what further help or advice they require.
- When a change of circumstances means that an award of HB or UC is reviewed the DHP award should be reviewed at the same time. This is because the change of circumstances could mean that the conditions for the DHP no longer met, or a different amount may be appropriate.
- You could identify, at the time of the first award, that a second award might be appropriate. As such you could issue a review form prior to the end of the first award to ask for relevant information.
- If you have a claimant, whose circumstances are unlikely to change, for example, [either they or a member of their family is severely disabled, or are in a sanctuary scheme,] you may wish to consider using a shorter review/rapid reclaim form when they renew their application for a DHP
- Paying DHPs from the date on the application form would be more transparent for both LAs and claimants, although backdating and paying in advance is allowable.
- Claimants normally have to arrange their finances quickly so you could ensure that decisions on DHP applications are made within four weeks.
- To ensure a DHP award remains necessary and fit for purpose, you could incorporate a review mechanism for longer term awards.

Notifying decisions on DHPs

- 4.9 Claimants will need clear information about the decision on their DHP application. You can include information about the DHP decision on the HB notification form but you should make it clear that a DHP is not HB and does not attract appeal rights. You should also specify the amount of the DHP. With UC, you will have to notify applicants separately to UC communications.
- 4.10 Where you have made a decision on the award claimants will need the following information:
- The reasons for an award decision (be it positive or negative), the start and end dates of the award and the reason for those dates,
 - Their dispute rights (if you have a disputes procedure) and
 - Information on who to contact if they need further help or advice.

Disputes procedures

- 4.11 It is good practice to have a disputes procedure. This could also help to reduce the probability of a legal challenge. Examples of good practice are:
- involve an officer other than the one who made the original decision;
 - depending on resources, have a panel of senior officers review the application;
 - the decision letter should clearly state the reasons for a negative decision;
 - claimants know who they can complain to in the first instance;
 - claimants are given some idea how long the process will take;
 - if they disagree with the first decision, claimants should know where they may go next.

Section 5: Further examples of good practice

5.0 The following are further examples of good practice that may be helpful when considering a DHP award. What questions you decide to ask and any decision based on the responses remains the discretion of your LA. Each case should be treated individually.

Prevention of homelessness

5.1 Homelessness can have a negative impact for the household concerned in terms of health, education and employment prospects. Also, temporary accommodation used to house homeless people can be expensive. Therefore, early intervention to prevent homelessness should be a key issue for LAs. You may wish to consider how DHPs could help where:

- a DHP would prevent the household from being evicted and becoming homeless;
- an award of DHP would be central to the person being able to access or maintain employment, education or training and so they are less likely to become homeless;
- paying DHPs to households, who have previously been homeless, would help to increase the long-term sustainability of their accommodation;
- paying DHP to care leavers, where additional support is needed, as they move into their home to increase the long-term sustainability of their accommodation.

The tenancy

5.2 You could consider the following issues concerning the tenancy:

- Is there scope for the landlord to reduce the rent?
- Can the housing options or homelessness prevention team help the claimant to negotiate a lower rent if the claimant feels unable to attempt to do so themselves?
- Does the claimant have a fixed term tenancy and if so when does this end?
- Can the tenant leave the tenancy without incurring a financial penalty?
- Could the tenant afford the tenancy before they took it on?
- Could a DHP enable the accommodation to become affordable in the interim, allowing the tenant time to find alternative accommodation or improve their work or earning prospects?

The household's financial circumstances

5.3 Although there are no rules on the financial issues to be taken into account when considering the award of DHPs, you may wish to consider the following:

- Does the claimant have other debts to pay?
- Have they sought advice on how to clear their debts?
- Can the claimant re-negotiate non-priority debts, such as credit card agreements?
- Is the claimant entitled to other welfare benefits that they are not claiming?
- Do they have any capital or disregarded income that they could use to make up the shortfall (bearing in mind its intended purpose)?
- Is there anyone else willing to make up the shortfall?
- Is it reasonable to expect any non-dependants to make an additional contribution to meet the shortfall?
- Can the claimant change their spending pattern on non-essential items?
- Is the claimant taking long-term action to help their problems in meeting their housing costs?
- Could the claimant afford the rent when they moved in?
- Can the claimant increase his or her hours or do any overtime?
- Is the claimant in work but with high travel costs, because of distance from work or split shifts for example?
- Has the claimant or a member of their family been affected by either the Manchester bombing on 22 May 2017 or London attack on 3 June 2017 and is receiving compensation payments from the schemes

The household's medical circumstances, health or support needs

5.4 You may wish to consider whether the following apply:

- Does the household have health or support needs which require them to remain in a particular property (including the needs of children)?
- Does the household have a health problem which means that the choice of housing is restricted either temporarily or permanently?
- Does the claimant require an extra room because of a physical, or mental, health problem that affects them or a member of their household?
- Does the household have to live where they do because of the need for access to medical or support services; for example, a particular hospital?
- Does the household have extra health-related expenses, such as the need for therapeutic classes or non-prescription medicine?

- Does the household have a member who has been affected by the terrorist attacks in Manchester and London who are in receipt of compensation from the compensation schemes?
- Does the household have a member who is a victim fleeing from domestic abuse and require support?
- Does the household consist of refugees who require support?

Other circumstances

5.5 There may be other circumstances applying to the claimant or a member of their household which you may wish to take into account:

- Is the claimant fleeing domestic abuse? This may mean they need safe accommodation on an emergency basis so the concept of having time to shop around for a reasonably priced property is not appropriate.
- Is the claimant in a sanctuary scheme?
- Is the claimant or a member of their family a victim of human trafficking?
- Is the claimant or a member of their family – refugees?
- Have they been a victim of the Grenfell Fire in 2017?
- Does the household have a member who has been affected by the 2017 terrorist attacks in Manchester and London?
- Does the household have to live in a particular area because the community gives them support or helps them contribute to the district?
- Is the claimant expecting a child and had her HB restricted to that of smaller accommodation until the child is born?
- Is the claimant a single person living in an area where there is a shortage of shared accommodation?
- Is the claimant a care leaver who has a reduction in their LHA rate after becoming 22 years old?
- Is there a particular reason that the claimant chose to live in this accommodation?
- Is the claimant or a member of their family an offender or ex offender and currently under the supervision of a Community Rehabilitation Company or National Probation Service as part of a court order or sentence?
- Is the property the cheapest available in the area for the household's needs?
- Does living in the area mean a better chance of employment?
- You could consider paying the DHP to those returning to the workplace as an encouragement for others to do the same.
- Would it be helpful to pay a DHP when a training scheme is almost, but not yet complete?
- Would it be helpful to pay DHP where the household contains children at a critical point in their education?

- Is someone in the household undertaking care duties for relatives in the neighbourhood?
- Is the family receiving intervention support from social services and the children's social worker has identified that due to their individual needs/early childhood experiences it is not appropriate for two children to share a room?
- Does the claimant have a child who is temporarily living away from home, but is expected to return home shortly?

Likely duration of award

5.6 Your LA can consider making longer term awards where appropriate, for example where a claimant has on-going needs, such as a disabled person living in specially adapted accommodation. However, the length of time over which an award of DHPs can be paid is your decision, but it may be helpful to consider the following:

- Is any need likely to be short-term?
- Is the claimant likely to require assistance in meeting their housing costs for as long as they remain in the property?
- You could consider paying a DHP until the earliest opportunity that cheaper accommodation could reasonably be sought.
- A DHP could be paid until a particular milestone, such as the end of training or first possible break clause in a tenancy.
- Is it in the best interest of the claimant, and financially prudent, to award a DHP to allow the claimant to continue to live in their current home?

Backdating of DHPs

5.7 When backdating an award, you may wish to consider:

- the claimant's age, health and personal circumstances;
- make-up of the household;
- the local housing market;
- whether the claimant has taken up a mitigating option.

Section 6: Profiling your budget and managing transition

Profiling your DHP budget

- 6.0 As the DHP scheme has been in place for some years you are likely to have built up expertise and local knowledge enabling the DHP budget to be profiled to meet demand over the course of the year.
- 6.1 It may be helpful to gather and analyse information held on your LAs benefit systems to help profile the DHP budget.
- 6.2 You may need to work with partner housing associations or registered providers as well as the department responsible for the LA's own stock, to profile the impact of the welfare reforms.
- 6.3 You may want to profile your caseload to identify certain groups among those potentially affected by the changes, and establish the level of demand among those groups in relation to their scheme's objectives (see paragraph 6.15 below for a list of groups you may wish to target for DHPs).
- 6.4 Although DWP has already carried out various Equality Impact Assessments in relation to HB reform, available on GOV.UK, you may want to carry out a more detailed assessment for your area.
- 6.5 In considering the likely demand for DHPs, you may also want to explore what other funding is available for providing assistance in your local area where there may be some overlap with DHPs in what it can be used for, such as help with removal costs.
- 6.6 You may wish to use information already held to predict where the demand for DHPs may be. For example, account could be taken of the following:
- Is there information on the range of rents charged in the area?
 - Can volumes of claims be established that include people who are disabled or frail or families with school age children who may be less able to move?
 - Are you likely to use funding to pay for lump sum assistance for rent in advance and deposits?
- 6.7 You may also be able to reduce some demand by offering claimants alternative support and advice in advance of considering whether a DHP is appropriate. In many cases it may be possible for tenants to stay at their existing accommodation at a reduced rent. For example, it

may be appropriate to pay HB directly to the landlord if they are prepared to reduce their rent to the level of the LHA rate.

- 6.8 By taking action in advance of the financial year to analyse their caseload, your LA will have useful information that will help with the profiling and prioritisation of budgets.
- 6.9 The DHP budget will need to be carefully monitored and managed, for example keep records on:
- amounts requested against amounts awarded;
 - type of accommodation;
 - reason for award;
 - duration of award;
 - claimant characteristics.

Managing the transition

- 6.10 It may be useful for your LA to include the following as part of their overall strategy on issues including the following:
- making information on DHPs more available;
 - providing housing advice and help with negotiating reductions in rents with landlords;
 - providing housing options advice for those affected by changes to HB in the social rented sector;
 - how best the homelessness prevention, housing options teams or partner housing associations can work with the HB administration team to identify cases where a DHP may be appropriate, for example, can they:
 - help to collect evidence to inform DHP decisions;
 - negotiate with the landlord to reduce the contractual rent;
 - advise on length of awards if they are helping to find an alternative tenancy;
 - advise on length of awards if longer-term or indefinite periods may be appropriate;
 - whether assistance with rent in advance and deposits is likely to be needed or is there a local deposit guarantee scheme for people who might move;
 - whether Adult and Children's services or other external organisations can be involved in applications from disabled people to advise on their accommodation needs. You may find it helpful, if you don't do so already, to work closely and strengthen links with such services in your LA to help inform decisions on DHPs (it is important to keep in mind whether claimant consent is needed to share information between services);
 - whether additional resources for processing claims are needed;
 - whether existing processes should be reconsidered and streamlined;

- whether to allow for DHP decisions to be made in advance of HB or UC changes coming into force.

6.11 It may be helpful to consider working with neighbouring LAs if claimants will be more likely to find accommodation in another area. LAs will need to be mindful that if a claimant moves to another area they will not be able to make a new claim to HB (unless they are an SDP case) and will need to apply for UC to get support for housing costs.

For example:

- agreeing that the exporting LA will meet the cost of rent in advance and deposit for a property, or help with removal costs (if there is a need to do so through DHPs);
- having mechanisms in place to ensure that the new LA is aware that such an award has been made;
- discussing availability of accommodation and other services such as school places;
- involving homelessness prevention teams, other housing advice teams or partner housing associations in these discussions;
- agreeing that the importing LA might make DHPs to help with fares to work if these are increased as a consequence of the move.

6.12 If people from neighbouring areas are likely to be moving into your LA area - have discussions taken place with other departments on possible increases in demand, for example, on school places or social services support?

Considering the DHP strategy to take account of increased demand

6.13 Given the numbers of people affected by the welfare reform changes, awarding DHPs to meet all shortfalls is not a viable option. Therefore, you will need to consider how best to target the funding within priority groups, whilst remembering that each case must be considered on its own individual merits.

6.14 You may wish to assist certain groups to stay in their home, for example:

- Families with children at a critical point in their education;
- Young people leaving LA care until they reach the age of 35;
- 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; if the current housing is not an appropriate size for kinship care families, you may want to assist in

ensuring they are able to move to appropriate housing in their local area.

- Families with a child temporarily in care but who is expected to return home. What constitutes temporary will be at the discretion of your LA;
- Families with a social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project;
- Families with a disabled child not in receipt of upper of middle rate DLA but whose condition makes sharing a bedroom difficult;
- Couples who are unable to share a bedroom due to disabilities but are not in receipt of a qualifying benefit;
- Families who are providing long term care to a disabled child or non-dependant;
- People with shared care arrangements; the person who does not received the CHB will not receive calculations for the children in their housing entitlement
- People who are providing a room for an adult placement;
- People who have had to flee domestic abuse or have moved because of the threat of violence in another area;
- People affected by domestic abuse who remain in a property which has been adapted under a sanctuary scheme;
- People who are victim of human trafficking;
- Where someone in the household is expecting a baby (including those currently in shared accommodation or subject to an under-occupation reduction);
- Where a household contains a young child, specifically a child aged 9 months and under, or a child aged under 2 years of age where childcare is a barrier to getting work;
- Where a child in the household is due to reach a significant birthday which means an additional bedroom will be allowed under the size criteria;
- Claimants or their partners who are due to reach state pension credit age which means they will no longer be subject to an under-occupation reduction;
- People who have experience homelessness being supported to settle in the community;
- People with health or medical problems, either physical or mental, who need access to local medical services or support that might not be available elsewhere;
- Disabled people who need, or have had, significant adaptations made to their property, or where they are living in a property particularly suited to their needs. This includes properties which have been adapted for other members of the household, such as disabled children or non-dependants;
- Where the claimant or someone in their household has an impairment, which requires them to have a larger property than would usually be the case for the size of their household due to, for example, where a bedroom is used for storage of medical equipment or used to support their disability e.g. sensory room;

- Disabled people 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, you may also consider families who have a child with an impairment who rely heavily on local support networks;
- The elderly or frail who have lived in the area for a long 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.
- People who are refugees who need to maintain stability in their financial and housing circumstances.

Appendix A: What DHPs cannot cover

- 1.0 Legislation precludes the following elements of rent, and shortfalls in HB or UC, from being met by a DHP.
- 1.1 Ineligible charges: service charges which are ineligible for HB cannot be covered by a DHP. These are as specified in Schedule 1 to the Housing Benefit Regulations and Schedule 1 to the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations. Examples of ineligible services charges are charges in respect of:
 - the acquisition of furniture or household equipment; and
 - the use of such furniture or equipment where that furniture or household equipment will become the property of the claimant by virtue of an agreement with the landlord;
- 1.2 Nor can a DHP cover charges for water, sewerage, and environmental services – as defined and calculated under the HB provisions. The service charge rules for UC can be found in the UC Regulations 2013, Schedule 1.
- 1.3 **Increases in rent due to outstanding rent arrears:** under Regulation 11(3) of the Housing Benefit Regulations and Regulation 11(2) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations, where a claimant's rent is increased on account of outstanding arrears owed by the claimant in respect of their current or former property, the shortfall cannot be covered by a DHP.
- 1.4 **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 of 40% of the personal allowance and only applies to IS or JSA(IB);
 - reduction in benefit as a result of non-attendance at a work-focused interview. This applies both where the person's HB is reduced and when any other benefit that the person is receiving (such as IS) is subject to a sanction;
 - 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 unemployment 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;

- 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 employment voluntarily or failing to attend a prescribed training scheme;
- restriction in benefit due to a breach of a community service order, or
- reduction in UC due to a sanction as specified under regulations 100 to 114 of the UC Regulations 2013

1.5 **Benefit suspensions:** HB or UC can be suspended either because there is a general doubt about entitlement or because a claimant has failed to supply information pertinent to their claim. In such cases, a DHP cannot be paid. One of the intentions of the suspension provisions is to act as a lever to ensure that the claimant takes the necessary steps to provide the authority with the required information/evidence - paying a DHP could reduce the effectiveness of this lever.

1.6 **Rent, when the person is getting Local Council Tax Support but not HB or help with housing costs in UC:** in other words, when a person is only getting local Council Tax support, you cannot award a DHP towards a rental liability.

1.7 **Shortfalls caused by HB or UC overpayment recovery:** when recovery of an HB or UC overpayment is taking place, such shortfalls should not be considered for a DHP.

Appendix B: DHP Monitoring

- 1.0 Since April 2014 DWP has asked LAs to report the amounts of DHPs actually made during each half of the financial year to support people affected by the welfare reform changes.
- 1.2 From April 2017 we only require information from English and Welsh LAs as DHPs are now devolved to Scotland.
- 1.3 The monitoring form is voluntary and intended to provide intelligence on how local schemes are operating.
- 1.3 Reporting periods span 1 April - 30 September for the half yearly return, and 1 April – 31 March for the end of year return. Your LA will be asked, each September, to return the reports for the first half of the year; the report for the full year will be asked for in April of each year.
- 1.4 The key to recording the DHP expenditure must reflect when the payment, rather than the decision, is actually made to the individual. Expenditure should be recorded in the year in which it actually occurs.
- 1.5 Where an award is paid over more than one reporting period, it needs to reflect the expenditure period(s), as opposed to assigning all expenditure to the point in the year when the first DHP payment of an on-going award is made.
- 1.6 At the end of year reporting stage LAs are asked to only provide monitoring information in respect of awards paid in that financial year. **The summary of the total expenditure supplied should be consistent with the total figure submitted on the mandatory DHP claim form.** Therefore, LAs are asked to reconcile the total expenditure reported on the monitoring section with their final DHP claim. Where the amounts differ, LAs are asked to provide an explanation.
- 1.7 Returns and any queries regarding the monitoring form should be sent to : dhp.monitoringinbox@dwp.gov.uk

Examples

1.8 Example 1: One-Off Payment

A DHP is awarded on 01/09/2019 as rental deposit for £300. You should record £300 in their report for April-September 2019/20 as this is the amount paid.

1.9 **Example 2: A full, unbroken award**

A claimant is paid DHP of £300 on 02/08/2019 for a period of 6 weeks at a rate of £50 per week to help with short-term rental costs while the claimant seeks employment.

The payment covers the whole period of 6 weeks. You should record £300 in their report for April-September 2019/20.

1.10 **Example 3: Change in Circumstance**

DHP is paid on 01/09/2019 at £10 per week covering the period from 01/09/2019 to 26/10/2019, a period of 8 weeks. The claimant subsequently moves to suitably sized accommodation causing DHP to cease on 28/09/2019, after 4 weeks. The amount to be reported for the April – September period is the amount paid out to the claimant, £40 (£10pw X 4 weeks), not £80 amount committed at the start of the award.

1.11 **Example 4: Six month reporting stage**

At the 6 monthly reporting stage DWP asks that you only return how much of an award has been paid out as of **30/09/2019**. For example, where a DHP was paid on 01/09/2019 at £10 per week covering the period from 01/09/2019 to 26/10/2019, a period of 8 weeks, you should record the amount paid out from 01/09/2019 to 30/09/2019 (i.e. 4 weeks and 2 days at £10 =£42)