



Discretionary Housing Payments (DHP) Policy

Legislation

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

Regulations: Discretionary Financial Assistance Regulations 2001.

These regulations were amended in 2012 to cover the introduction of Universal Credit and the abolition of Council Tax Benefit from April 2013.

Amendments to the regulations are covered by the Council Tax Benefit Abolition (Consequential Amendments) Regulations 2013 (which came into force on 1 April 2013) and The Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013, a further set of Universal Credit Consequential Amendment Regulations, which make amendments to the Discretionary Financial Assistance Regulations 2001 which are consequential upon the introduction of Universal Credit.

Introduction

DWP increased the DHP Government funding to Local Authorities from 2015/16 onwards in order to support claimants through the potential impacts of Welfare Reform.

From 2018/19, as part of the lower funding settlement agreement and due to the methodology for allocation being based on key welfare reforms identified at a local level, funding had reduced by circa 14 per cent in 2018/19 and a further 6 per cent in 2019/20.

There was then a significant increase in 2020/21 due to affordability pressures in the private sector. For 2021/22 the initial funding has decreased by 45 per cent, although further funding was then allocated mid year to local authorities.

In 2022 / 23 total funding amount paid of £187,383 Cherwell District Council remains committed to identifying and assisting the most vulnerable residents through effective use of DHP monies in order to offer ongoing support to families in exceptional need affected by the following changes to Housing Benefit (HB) or Universal Credit housing costs:

- Benefit cap
- Changes/restrictions to Local Housing Allowance for claimants who have private sector tenancies.
- Removal of the Spare Room Subsidy for claimants who have social sector tenancies
- The roll out of Universal Credit Full Service where claimants move from claiming Housing Benefit to UC housing costs.

Cherwell District Council is also committed to the Government's recommendation that Local Authorities should give priority consideration to households where substantial disabled adaptations have been undertaken to meet the disability needs for a household member, and where these households have also been adversely affected by Spare Room Subsidy restrictions and for whom it would not be reasonable to expect them move from their homes into smaller accommodation.

What is a DHP?

DHP is an award that can be made to claimants who have a shortfall between rental liability and entitlement to HB or Universal Credit (UC) housing costs element. This would be paid as a weekly 'top up', for HB this cannot exceed the eligible rental liability.

Eligible rental liability means all the payments specified in Regulation 12(1) of the Housing Benefit Regulations 2006 or the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 except those specified in

Regulation 12(3)(b)(i) to (iii) of those regulations, i.e. deductions in respect of certain service charges.

A DHP award can also be made as a one-off payment to resolve an issue relating to housing costs.

Housing costs are not defined in the regulations, however, in general, housing costs means rental liability. This can also be interpreted more widely to include:

- Rent in advance
- Rent deposits
- Other lump sum costs associated with a housing need such as removal costs.

Following the abolition of Council Tax Benefit from April 2013 a DHP can no longer be paid to assist with Council Tax liability. A customer who is receiving Council Tax Reduction (CTR) with no rental liability is not entitled to a DHP award.

The claimant must be entitled to Housing Benefit or UC housing costs at the time they apply for DHP.

Local Authorities are allocated Central Government funding for DHP. Local Authorities can also make an additional local contribution to the fund (up to 2.5 of the Government allocation).

The funding must be awarded to claimants in the financial year it is allocated and once the fund is exhausted no further funding will be available until the following financial year. Any DHP funding not awarded by the end of the financial year must be paid back to the DWP.

For the financial year 2023 / 24 Cherwell District Council has initially been allocated £187,383

DWP guidance to Local Authorities is payments from the fund should be made to support claimants affected by key welfare forms:

- Reduction in Housing Benefit or UC housing costs as a result of Spare Room Subsidy
- Reductions in Housing Benefit or UC housing costs as a result of LHA reforms
- Non-dependant deductions in HB, or housing cost contributions in UC

- Rent shortfalls to prevent a household becoming homeless whilst the housing authority explores alternative options
- Income taper reduction
- Policy to limit benefit to two children; and
- any other policy change that limits the amount of HB payable, for example the removal of the family premium.

DHP cannot be used to help with:

- Ineligible service charges.
- Increases in rent due to arrears.
- Shortfalls in the Second Adult Rebate.
- Shortfalls in Council Tax Reduction.
- Certain sanctions and reductions in benefit.
- Any reduction in UC due to a sanction as specified under regulation 100 of the UC Regulations 2013
- 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.

Further guidance can be found [in Appendix A of the Department for Work and Pensions DHP Good practice guide](#) (May 2022).

A DHP is not a 'means-tested' entitlement of Housing Benefit. It is a short-term additional award made by the Local Authority to a claimant facing financial hardship in order to alleviate that hardship and reduce the risk of homelessness.

DHP should not be considered as a long-term solution to maintain customers in accommodation they cannot afford based on their rent liability and normal entitlement to Housing Benefit/UC housing costs.

Due to the limit of a DHP award, the DWP recommends claimants are advised by the Local Authority to consider options available to them in order to alleviate their financial and/or housing situation during the period of the award.

Cherwell District Council DHP Policy

This policy refers to Cherwell District Council, references within this policy to ‘the Council’ means Cherwell District Council and references to “decision makers” are also officers of the Council or officers authorised to act on behalf of the Council.

The purpose of this policy is to assist with the administration of DHPs, specifies how the Council will operate the DHP scheme and indicates some factors that will be considered when deciding when to award a DHP.

Each application for a DHP will be treated on its own merits, taking into consideration the guidelines issued by the DWP and those stated in this policy, to ensure all claimants are treated equally and fairly.

The Council is committed to working with social landlords, the local voluntary sector, homelessness prevention agencies, Citizens Advice Bureau and any other partners and stakeholders within the district to maximise publication of the scheme to help as many residents as possible.

Statement of objectives

The Council will consider awarding a DHP to claimants who meet the qualifying criteria subject to funding limitations. Before making an award, the Council must be satisfied that the claimant is entitled to:

- HB/UC housing costs element. This includes where the claimant would have been entitled to UC housing costs were it not for the fact that the person occupies specified accommodation or temporary accommodation; and
- Has a rental liability; and
- Requires further financial assistance with housing costs.

The key objectives of this policy in prioritising awards of DHP are:

- Preventing homelessness.
- Alleviating poverty.

- Keeping families together.
- Supporting the vulnerable and elderly in sustaining tenancies.
- Helping those who are trying to help themselves.
- Enabling people to secure new sustainable tenancies.
- Providing financial respite for people in short term difficulty.
- Incentivising people into and maintaining work.
- Supporting young people in education.
- Supporting those who are in affordable housing but at risk of becoming homeless due to being unable to meet their full rental liability due to severe financial difficulties from the effects of the current economic climate.

Claiming a DHP

A claim for a DHP must be made in writing on the following form [DHP application](#)

A request for a paper application can be arranged by emailing benefits@Cherwell-dc.gov.uk

An award can occasionally be extended for a short period without a further claim form being submitted where the Council is satisfied that the claimant's circumstances continue to remain the same, despite the claimant taking all reasonable steps during the period of the original award to alleviate their situation.

A DHP will not be awarded where the Council considers alternative monies, benefits, awards, grants or funds are available or more appropriate for the claimant, for example, the Council's rent deposit scheme, deposit from a previously rented property.

The Council may request any information or documentary evidence reasonable and/or relevant in support of an application for a DHP. All requests for additional information will be made in writing or by email, where possible existing information/documentary evidence will be used to support an application in order to avoid duplication.

If a claimant is in receipt of UC, any information held for local Council Tax Reduction may also be used to process a DHP application and/or change in circumstances.

The Council may verify the information provided by the claimant with authorised agencies, for example, Her Majesty's Revenue and Customs (HMRC) and DWP. Where the claimant is in receipt of Housing Benefit the Council will carry out a claim review, in order to ensure the correct level of Housing Benefit is being awarded, before making a DHP decision.

The claimant will be given one month to provide any additional information/documentary evidence requested. Decision Makers will have discretion to extend the time limit in appropriate circumstances.

However, if information/documentary evidence is not returned within the agreed time limit the Decision Maker will make the DHP decision based upon the information available at that time.

The decision-making process

Each decision reached is discretionary and is not governed by means-tested regulations, however, the Council will ensure that all decisions made are in-line with the objectives of this policy.

On receipt of an approved/signed form the Decision Maker will verify that the claimant is eligible.

Where the claimant is not eligible/successful, the Decision Maker will advise the claimant in writing their request has been unsuccessful without requesting further information.

Where the application is made and indicates one or more of the following is the only reason for the claim the DHP will be decided as not eligible:

- Ineligible service charges
- Increases in rent due to arrears
- Shortfalls in the Second Adult Rebate
- Shortfalls in Council Tax Reduction (CTR)
- Shortfall in HB due to recovery of an overpayment
- Reduction in HB due to other benefit sanctions

- HB that has been suspended
- The waiting days applied to Universal Credit claims
- The decision maker will advise the claimant in writing without requesting further information

Where any of the above applies, the Decision Maker will advise the claimant in writing without requesting further information.

Where the claimant's circumstances are eligible for DHP, the Decision Maker will consider one or more of the following impacts on the claimant's housing costs circumstances and finances in considering an award. The reason for the request is:

- To cover a reduction in eligible rent due to the Removal of the Spare Room Subsidy
- To cover a shortfall in rent due to the Benefit Cap
- To cover a rent restriction imposed by the Rent Officer for private tenancies.
- To cover the difference between the LHA rate and the rental liability
- To cover the difference between the housing costs in the UC award and the rental liability
- To counteract the effect of any non-dependant deduction
- To support a customer back into work
- To prevent homelessness
- Removal costs in relation to obtaining affordable accommodation.
- Rent deposits and rent in advance in relation to obtaining affordable accommodation: a DHP can be awarded for a rent deposit or rent in advance for a property that the claimant has yet to move into if they are already entitled to HB or UC for their present home.

All other options must be explored prior to a DHP being awarded in this instance, such as Cherwell District Council's rent deposit scheme, deposit from a previously rented property etc. Regard should be given to the Court of Appeal's decision in R v LB Lambeth, ex parte Garrett which sets out that any

HB already paid towards housing costs must be deducted when calculating the amount of DHP to avoid duplicate provision. The following conditions must also be satisfied;

- 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.

To help with liability to pay rent on two homes: the regulations permit a person to have help through a DHP award with rent due on a property they have moved into when treated as temporarily absent from their home e.g. the claimant has moved due to domestic violence. If the customer is liable for the rent on both properties and in both cases, there is a shortfall, a DHP could be awarded in respect of both properties subject to the weekly limit on each property.

- If the claimant is liable for payments on one dwelling but is having to pay rent on two, a weekly DHP could be made to assist with the temporary accommodation up to the level of the weekly eligible rent on the dwelling from which they are temporarily absent.

(this list is not exhaustive)

The Decision Maker will then consider if the claimant has:

- Demonstrated financial hardship
- Demonstrated a personal life event that has led to financial hardship, for example, the bereavement of a close relative.
- Demonstrated steps already taken to achieve financial independence, for seeking and accepting advice from the Council's Housing Options team, Tenancy Support Officers or Citizens Advice Bureau.

Applications may be considered unsuccessful if one or more of the following apply:

- Other support/provision has been granted for this need/situation
- Eligibility criteria has not been met
- Exceptional need is not evidenced

- Exceptional financial circumstances are not evidenced
- Applicant has accessible capital/savings
- Applicant has already received DHP either as
- short-term financial support by way of on-going DHP
- rent in advance in lieu of an on-going DHP or;
- rent deposit in lieu of an on-going DHP and has not shown that they have taken any relevant steps to help alleviate their situation
- Applicant chooses to cancel any arrangement whereby support/assistance is being provided by another body such as Citizens Advice Bureau, Housing Options or Landlords' Welfare Officers.

The Decision Maker will compare the actual household income and savings compared with essential household expenditure. The Decision Maker will also take account of any other income, grants, discretionary awards and/or benefits that the claimant could be entitled to in order to determine whether the claimant needs further financial assistance to meet their housing costs.

Where the Council considers the claimant may be entitled to other income or benefits the Council may award a DHP to allow time for the claimant to apply for alternative income or benefits.

The Council will refer to the latest available Standard Financial Statement (SFS) trigger figures in order to determine reasonable expenditure for telephone, housekeeping, and travel.

The Common Financial Statement trigger figures are widely used in the financial industry as reasonable expenditure levels. This approach is consistent with the financial hardship work undertaken by Citizens Advice.

Where specific expenditure is higher than the trigger figures the Decision Maker will request further information and/or evidence to determine why the figures are higher. Where the claimant is unable to provide satisfactory information to explain the higher figures the expenditure used to calculate any DHP award will be adjusted to the trigger figures.

The Decision Maker will also consider the following in relation to the claimant's household and financial circumstances:

- Whether the property has been substantially adapted for the needs of a disabled customer
- Any steps already taken by the customer to reduce their rental liability
- The financial and medical or social needs of anyone in the household
- Any steps already taken by the claimant in order to reduce other expenditure
- Any steps already taken by the claimant in order to achieve financial stability.
- Any savings or capital held by the claimant or family members
- Any steps already taken by the claimant in order to reduce the level of debt in the household
- Any exceptional circumstances of the claimant or family members
- The possible impact on the authority of not making such an award, for example, pressure on priority homeless accommodation
- The possible impact on the claimant of not making such an award, for example, the immediate threat of homelessness
- The amount available in the DHP budget at the time of the application
- Any special reasons which make it necessary or particularly desirable for the claimant to occupy the dwelling in respect of which the liability arises
- The risk of becoming homeless due to rent arrears, particularly where any of the household are vulnerable by reason of age, sickness or disability
- Action taken by the landlord to recover arrears of rent
- Legislative change impacts, for example- restrictions to eligible rent, LHA restrictions, size criteria, benefit cap.)
- Any other special circumstances brought to the decision maker's attention

(this list is not exhaustive)

Start dates of an award

A DHP will normally be awarded from:

- The Monday following receipt of the application form or
- The Monday following the initial request made where the application form is received within one month of the date of the initial request or
- The date on which entitlement to Housing Benefit or Universal Credit commenced whichever is the most appropriate.

A DHP cannot be awarded for any period outside an existing Housing Benefit or Universal Credit period granted under the Housing Benefit or Universal Credit statutory schemes.

Backdating

Claimants may apply for a backdated DHP. However, awards are expected to meet current financial hardship and household circumstances. Whilst there are no restrictions on the Council considering a request for a backdated award, any payment would normally be restricted to the current financial year due to the DWP funding arrangements.

Any application will be considered on a case by case basis in accordance with this policy.

Period of award

Any DHP award will be made for a period relevant to the claimant's housing and financial circumstances. Consideration will be given to the level of vulnerability of the household and the likelihood of that household circumstances alleviating during the period of award.

The length of the award will vary on a case by case basis, as follows:

- There is no minimum period for a DHP award which can be made until a change in circumstances results in that household's ability to afford their rental liability; or
- Maximum period of 12 months in the case of exceptional hardship or if the claimant has limited options in making changes to their circumstances; or.
- Bespoke period based on the individual circumstances of the claimant, for example, to the end of a tenancy; or
- A lump sum award relating to a specific amount, for example, a rent deposit.

When awarding a DHP to assist the claimant to secure a new tenancy, the Decision Maker will consider the following:

- If the claimant has been offered but not accepted the rent deposit scheme operated by the Council
- If DHP is a more appropriate award than the rent deposit scheme.
- If DHP has been previously paid for a rent deposit or rent in advance.
- The claimant's deposit or rent paid in advance for previous accommodation.
- Ability of the claimant to move to more affordable accommodation with the help of moving costs, rent in advance or rent deposit.
- What steps the claimant has taken to save in order to contribute towards rent in advance or rent deposits.

Level of Award

The Decision Maker will determine the level of award on a case by case basis based on the criteria outlined in this policy.

Where the DHP claim is to meet a shortfall between the eligible rent and Housing Benefit award/UC housing costs, the award may be:

- The full amount of the shortfall.
- A part payment of the shortfall

Where the DHP claim is a lump sum payment:

- An amount not exceeding the equivalent of one month's rent for rent deposits and/or rent in advance
- A part payment taking into account available savings or other monies available to the claimant for rent in advance, rent deposit, moving costs etc.

The Decision Maker will consider the household's overall financial circumstances in determining the award for DHP, this will include any income or benefits fully or partly disregarded in the normal means tested calculation for Housing Benefit/UC housing costs, for example child benefit, maintenance.

Where the Council receives information that the claimant's circumstances have been alleviated during the period of award, the DHP end date may be revised, or the level of award reduced for the remainder of the period to reflect this change.

For claimants in receipt of Housing Benefit, the level of the DHP award, calculated on a weekly basis, cannot exceed the eligible rent.

For claimants in receipt of UC housing costs, the level of the DHP award cannot exceed the housing element.

Where a DHP is awarded to recipient of UC, the DHP level of award will also take into account:

- Where an Alternative Payment Arrangement (APA) is in place to the claimant's landlord, the award will be the maximum of the shortfall between the payment to the landlord and the claimant's rent. This amount will be converted from a monthly to a weekly amount.
- Where the APA is not in place, the shortfall will be determined with reference to the claimant's circumstances. The maximum DHP award is also affected by reductions in the UC housing costs component for items such as a maximum LHA rate or non-dependant deductions as form part of the Schedule 4 to the UC Regulations i.e. the UC housing costs component of the UC award notice.
- Where a claimant is in receipt of UC the maximum DHP award that can be made is identified by looking at their UC award notification. Their UC award notice will identify a housing element, and this is the same as the maximum DHP that can be made when calculating a DHP as a monthly award.

Please note that whilst the housing element of the UC award notification may include financial support for mortgage interest payments, owner-occupiers are not eligible to receive a DHP award.

Method of payment

The Decision Maker will award the DHP to the most appropriate person to pay on a case by case basis from the following:

- The claimant
- Their partner
- An appointee
- Their landlord
- Any third party to whom it might be most appropriate to make payment.

Payment will be made by electronic transfer (i.e. BACS).

For claimants in receipt of HB a weekly DHP award to meet a shortfall will normally be made in line with the frequency and method of payment of their normal Housing Benefit.

For UC housing costs frequency is at the discretion of the Decision Maker, as payments of Universal Credit are made monthly.

Notification

The Council will inform the claimant of the outcome of their application in writing either by letter or email. A copy of the income and expenditure used in the calculation will be provided with the notification where that has been used to calculate the amount of the award.

Where the application is unsuccessful, the Council will set out the reasons to explain the decision.

Where the application is successful, the Council will advise:

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

Where the claimant is experiencing financial difficulties due to restrictions implemented as part of welfare reforms associated with their accommodation, their details may be passed to the Council's Housing Options team or Citizens Advice.

Where payment is to be made to a third party, for example a Landlord for a rent deposit, the Landlord will also receive a written notification.

The Council will include information about the legal obligations for landlords to protect any deposit paid in a Government approved tenancy deposit protection scheme.

Compliance with this requirement will help reduce the need for future help with deposits.

Reapplying for a DHP

There are no restrictions on the number or amount of DHP applications that can be made by a claimant, other than the availability of funding.

However, reapplications will take into account previous awards of DHP, steps taken by the claimant during the period of the original award and any barriers that have prevented the claimant alleviating their financial and housing situation.

Where the application is unsuccessful, the claimant may reapply for a DHP at any time (or request [a review of the decision](#)). Where an application is successful the claimant may apply for an increase or additional DHP payment (for example, a rent deposit) during or at the end of their current period of award.

The Council will not contact the claimant at the end of the award unless there are exceptional circumstances, for example the claimant is vulnerable and/or has known difficulties managing their circumstances.

A claimant will need to complete a new application to reapply for DHP at the end of a current award, except in occasional circumstances where the Council is satisfied their

circumstances have remained the same. Claimants can submit an application to reapply for a further award up to 4 weeks before the end of the current award period.

The right to seek a review

DHP decisions are not subject to the statutory appeals procedure, as they are not awards of Housing Benefit or Universal Credit.

Claimants can request a review of the Council's decision on ;

- an unsuccessful DHP
- a reduced award
- a decision not to backdate a DHP
- or a decision that there has been an overpayment of DHP.
- The level of DHP awarded

A request for a review must be submitted to the Council within one month of the date of the DHP notification. The Council may consider requests made after this time period where the claimant has given specific reasons for the delay and the Decision Maker considers these reasonable.

On receipt of a request for a review:

- A Decision Maker, different to the original Decision Maker, will review the decision and all the evidence, as soon as possible.
- Request any additional evidence/information that may be required.
- Notify the claimant of the outcome of the review in writing.
- Where the Council makes the decision to uphold the original decision, the Decision Maker will notify the claimant of their decision in writing, setting out the reasons for their decision.
- The decision is final and binding and may only be challenged via the judicial review process or by complaint to the Local Government Ombudsman where there is an allegation of maladministration.

DHP Overpayments

A DHP overpayment may occur where the Council determines:

- The claimant misrepresented their circumstances or failed to disclose a material fact or change in circumstances, either fraudulently or otherwise, at the start, end or during the period of award.
- DHP was awarded as a result of an error made in determining Housing Benefit or UC housing costs entitlement.

The Council may consider the overpayment to be recoverable.

Overpayments deemed recoverable may be recovered from any ongoing DHP entitlement or future DHP awards.

Where no DHP is in payment the Council will issue an invoice to the claimant or other person considered responsible to repay the overpayment. The Council will consider requests by claimants/other responsible persons who wish to repay a DHP overpayment by instalments on a case by case basis.

The Council cannot recover DHP from ongoing Housing Benefit, UC or other attachment of benefits.

Publicity

The Council will continue to publicise the DHP fund working with key stakeholders and partners using various platforms including using the Council's website.

Decision Makers will liaise closely with social landlords, volunteer agencies and Housing Options team to ensure the most vulnerable customers are made aware of DHP's and are assisted in claiming them as required.

Fraud

The Council is committed to the fight against fraud. Claimants found to have claimed or attempted to claim a DHP by falsely representing their circumstances, providing a false

statement or evidence in support of their application, may have committed an offence under the Theft Act 1968, including Sections 17 'False Accounting' and 24A 'wrongful Credit' . Offences may also have been committed under the Fraud Act 2006, the identity documents Act 2010 and the Accessories and Abettors Act 1861. This list is not exhaustive. Where the Council has evidence that such a fraud may have occurred, the matter will be referred for investigation to the Council's Corporate Fraud Team and this may lead to the instigation of criminal proceedings.