

**HOUSING BENEFIT  
DISCRETIONARY HOUSING PAYMENT POLICY  
(Report by Head of Customer Services)**

**1. INTRODUCTION**

- 1.1 Under the Discretionary Financial Assistance Regulations 2001, local authorities receive an annual grant from the Department for Work and Pensions to help people who are in receipt of Housing and/or Council Tax Benefit with assistance with their housing costs not met through the benefit scheme. Delegate authority to determine applications already exists.
- 1.2 Although the term 'housing costs' is not defined in legislation, it generally means rental liability. And on the whole, Discretionary Housing Payments (DHP's) are used to help meet the difference between someone's Housing Benefit and the rent due to their landlord, usually for a limited period to enable tenants to adjust their financial circumstances or change their accommodation.
- 1.3 The Government's Welfare Reform programme means that for many people, the amount of Housing Benefit they receive has reduced. To mitigate the effects of these changes, from April 2013, the DWP has increased the level of grant awarded to each local authority and reviewed the DHP Guidance Manual and Local Authority Good Practice Guide.
- 1.4 Officers have taken this opportunity to carry out a review of the Council's local DHP policy to ensure that it adheres to best practice and that the relatively small budget will be spent to help the most vulnerable benefit customers.
- 1.5 As Council Tax Benefit is being abolished from April 2013, DHP's can no longer be made towards council tax liability. There is an item elsewhere on the agenda in relation to future provision for Council Tax Support.

**2. IMPACT OF THE WELFARE REFORM CHANGES**

- 2.1 The DWP's annual funding for DHP's has increased each year since 2011 to help local authorities deal with the impact of the welfare reforms.

Year	Total national DHP budget	HDC allocation	Number of awards made
2010 – 11	£20m	£31,832	188
2011 – 12	£30m	£41,422	187
2012 – 13	£60m	£56,646	211*
2013 – 14	£155m	£169,561	N/A

\* as at 11 February 2013

- 2.2 The increase in the funding for 2013 -14 takes account of the latest round of welfare reform changes including the under-occupation rules for working age people living in social housing and the £500 per week benefit cap.
- 2.3 The demand for DHP's has increased but less than initially anticipated in light of the fact that people living in the privately rented sector have faced cuts in their benefit entitlement since 2011.

### **3. AIMS OF THE DHP POLICY**

- 3.1 The HDC policy sets out the aims of awarding a DHP. Each case is considered on its own merit and takes account of a range of factors that allow Officers to make fair and consistent decisions.
- 3.2 A DHP is awarded to help make up some or all of the shortfall between a person's Housing Benefit entitlement and their rental liability in order for the benefit claimant to be able to maintain their tenancy. Payments are normally made on a short term basis.

### **4. RECOMMENDATION**

- 4.1 That Members:
- (a) note the content of this report;
  - (b) adopt the DHP Policy with effect from April 2013.

### **BACKGROUND INFORMATION**

The Discretionary Financial Assistance Regulations 2001  
Department for Work and Pensions DHP Guidance Manual including Local Authority Good Practice Guide  
DWP Subsidy Circular S1/2013

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