

Discretionary Housing Payments Guidance Manual

Including Local Authority Good Practice Guide

April 2013

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Introduction

Purpose of this guidance

- 1.0 This guidance replaces the March 2011 guidance and is aimed at local authorities (LAs) in England, Scotland and Wales who are responsible for administering Discretionary Housing Payments (DHPs).
- 1.1 The guidance is updated to reflect amendments to the Discretionary Financial Assistance Regulations which ensure the scheme covers the introduction of Universal Credit and abolition of council tax benefit from April 2013.
- 1.2 In addition to the guidance, a good practice guide is included at Appendix A which offers advice to LAs on how DHPs can be used to provide support to customers affected by some of the key welfare reforms, including:
 - introduction of benefit cap;
 - introduction of size criteria in social rented sector;
 - reductions in local housing allowance
- 1.3 To assist claimants through the transitional period of these reforms central Government funding towards DHPs has been increased from £20 million per annum up to £165 million for 2013/14, and £135 million for 2014/15.
- 1.4 This guidance also provides details on assurance and monitoring arrangements that LAs should follow regarding DHP expenditure.

What are Discretionary Housing Payments?

- 1.5 DHPs provide customers with *further financial assistance*, in addition to any welfare benefits, when a LA considers that help with *housing costs* is required.
- 1.6 The regulations covering DHPs are The Discretionary Financial Assistance Regulations 2001 referred to in this guidance as 'the regulations.'
- 1.7 You should be aware that although the legislation gives you a very broad discretion, decisions must be made in accordance with ordinary principles about good decision making, i.e. administrative law. In particular, LAs have a duty to act fairly, reasonably and consistently.

- 1.8 Once you have met your authority's overall cash limit you cannot award any more DHPs. By cash limit we mean two and a half times your government contribution. 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.
- 1.9 You should also be aware that the amount of money you have left from your government contribution must not be a factor in your decision making. Each case must be decided on its own merits, and your decision making should be consistent throughout the year.
- 1.10 Any unspent DHP funding will have to be returned to DWP at the end of the financial year.

What do we mean by housing costs?

- 1.11 Housing costs are not defined in the regulations and this gives LAs a broad discretion to interpret the term as they wish.
- 1.12 In general, housing costs means rental liability. However, housing costs can be interpreted more widely to include:
- rent in advance
 - deposits
 - other lump sum costs associated with a housing need such as removal costs.
- 1.13 Following the abolition of council tax benefit from April 2013, DHPs can no longer be made towards council tax liability.
- 1.14 See [Deciding whether to award a DHP](#) later in this guidance for more details.

What do we mean by 'further financial assistance'?

- 1.15 There is no definition of the phrase 'further financial assistance' in law. It is up to you how you interpret it.
- 1.16 The level of award may cover all or part of a shortfall in rent or assist with the cost of taking up a tenancy.
- 1.17 See [Administering DHPs](#) and [The level of a DHP](#) later in this guidance.

Deciding whether to award a DHP

What are the criteria for award?

- 2.0 Before you make an award you must be satisfied that the customer is entitled to:
- Housing Benefit (HB); **or**
 - Universal Credit (UC); **and**
 - has a rental liability; **and**
 - requires further financial assistance with housing costs.
- 2.1 A customer who is receiving local council tax support only, with no rental liability (e.g. an owner occupier) is not eligible to apply for a DHP.

What types of shortfalls can DHPs cover?

- 2.2 The various types of shortfalls that a DHP can cover include:
- reductions in HB or UC where the benefit cap has been applied;
 - reductions in HB or UC for under-occupation in the social rented sector;
 - reductions in HB or UC 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.

Rent deposits and rent in advance

- 2.3 You can award DHPs for a rent deposit or rent in advance scheme for a property that the customer is yet to move into if they are already entitled to HB or UC at their present home. When awarding DHPs for a rent deposit or rent in advance, you may wish to satisfy yourself that the property is affordable for the tenant.
- 2.4 Using DHPs for this purpose may be particularly appropriate to help existing customers 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 where your LA rent deposit scheme is limited or exhausted.

- 2.5 The regulations are wide enough to permit this on the basis of a customer's entitlement to one of the eligible benefits at their current home. The regulations do not stipulate that the housing costs to which the DHP relates have to be housing costs relating to the property for which benefit has been awarded.
- 2.6 Although Regulation 4 of the 2001 regulations places a limit on the DHP award so that it does not exceed the weekly eligible rent on the customer's home, the limit only applies where the award is calculated as a weekly sum, for example, to meet a shortfall.
- 2.7 In a case where you are awarding a DHP for rent in advance or a deposit, **the weekly limit does not apply** as you are awarding a lump sum to meet an immediate housing need. See [The level of a DHP](#) later in this section.
- 2.8 When awarding a DHP for a deposit, you may wish to include information about landlords' legal obligations 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. Further information can be found by following this link:
- [Deposit protection schemes for private tenants](#)
- 2.9 When making a DHP to assist the customer with securing a new tenancy you might want to consider making the payment to the landlord rather than the customer.
- 2.10 As a lump sum payment for rent in advance is not made in respect of a period, you do not have to be satisfied that the customer is entitled to HB other than at the point you make the award.
- 2.11 If the rent in advance is for a property outside of your area this does not prevent you from making a payment if the customer is currently in receipt of HB or UC in your area.
- 2.12 Before awarding a DHP for rent in advance or a deposit you may wish to establish with the customer whether they:
- are due to have a deposit or rent in advance in respect of their existing tenancy returned to them
 - have received assistance from the LA through a rent deposit guarantee scheme or similar
- 2.13 Once a DHP has been made to the customer for rent in advance or a deposit and used for that purpose legislation does not provide for it to be refunded.

DHPs and two homes

2.14. The regulations do not prevent you from awarding DHPs on two homes when someone is treated as temporarily absent from their main home, for example because of domestic violence.

2.15 In this case, if the customer is treated as liable for rent on both properties, and in both cases there is a shortfall, they could have DHPs in respect of both properties subject to the weekly limit on each property.

See [The level of a DHP later in this section.](#)

2.16 The regulations do not say that DHPs can only be paid in respect of one property; they just limit the weekly amount that can be paid when the DHP does relate to rent on a person's home.

2.17 If the customer is only treated as liable for payments on one dwelling but is having to pay rent on two, for example they are temporarily absent from their normal dwelling to stay near a child receiving treatment in hospital, 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. See [The level of a DHP](#) later in this section.

What DHPs cannot cover

2.18 There are certain elements of a customer's rent that cannot be included in housing costs for the purposes of a DHP because the regulations exclude them.

2.19 Excluded elements are:

- ineligible service charges
- increases in rent due to outstanding rent arrears
- certain sanctions and reductions in benefit.

See [Appendix B](#) for more details

The level of a DHP

2.20 If the purpose of the DHP is to meet a shortfall it is entirely up to you how much of a shortfall that you decide to meet.

2.21 However, in the case of a shortfall the level of DHP must not exceed the weekly eligible rent on the home.

- 2.22 Eligible rent 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 specified service charges.
- 2.23 Following the introduction of UC, LAs will have to consider claims from customers who are not receiving HB. Customers receiving UC will not receive a specific amount towards housing costs therefore you can decide on the amount of DHP to award, providing it does not exceed the weekly eligible rent.
- 2.24 For lump sum payments such as deposits or rent in advance this limit does not apply but you will need to have regard to your overall DHP budget.

Payment cycles

- 2.25 It is for you to decide the frequency of payments. Payments to meet shortfalls could be made at the same frequency as the HB or UC payment.

Claiming a DHP

The claims process

- 3.0 The regulations require that there must be a claim for DHPs before the LA can consider making an award.
- 3.1 However, that does not necessarily mean that there has to be a written claim form. How you choose to operate the claims process is up to you. If you decide not to use a written claim form you may decide to accept claims by another means, for example by telephone, or electronically.
- 3.2 Although you can decide what constitutes a claim in each case, there must be something in each instance which triggers the claim. This could be something as simple as a telephone call asking the customer if they wish to claim a DHP. You should also bear in mind that LAs have a duty to act consistently.

Who can claim DHPs

- 3.3 In most cases, the person who claims a DHP will be the person entitled to HB or UC.
- 3.4 However, you may also accept claims from someone acting on behalf of the person concerned, such as an appointee or advocate if the person is vulnerable and requires support.

Who you can pay

- 3.5 DHPs may be paid to someone other than the customer if you consider it reasonable to do so.
- 3.6 That could be an agent, an appointee or a landlord. In the case of a person entitled to rent rebate, DHPs can be credited to the rent rebate account.

Information a customer must give

- 3.7 When someone claims for a DHP, they must give you:
- information you require to make a decision or look at a decision again
 - any other information you may require in connection with their claim.

- 3.8 In establishing if the customer requires further financial assistance, you decide how to treat any income or expenditure for the purposes of deciding whether to award a DHP.
- 3.9 For example, you may, or may not, decide to disregard income from disability related benefits as they are intended to be used to help pay for the extra costs of disability. However, you may want to bear in mind that such money might be committed to other liabilities for which the money was intended, such as Motability schemes, provision of care etc.
- 3.10 You can also take account of unavoidable costs that the customer may have such as fares to work. This may include, for example, people who have had to move as a result of welfare reforms such as increasing the age threshold for the shared accommodation rate or introduction of the benefit cap.
- 3.11 You will need to decide locally how you treat income and expenses when calculating the amount of the DHP. However, you should consider what is reasonable when assessing expenses.
- 3.12 If a customer is receiving HB, you will already hold relevant details regarding a person's income and rental liability, which can be used to assess a claim for DHPs.
- 3.13 If a customer is in receipt of UC, you will not necessarily hold details of the customer's income or rental liability. However, data sharing powers introduced on 2 July 2012 provide a gateway for LAs to obtain relevant information from DWP to assess claims for DHPs.

Telling the customer of the decision

- 3.14 If someone claims a DHP, you must tell that person of the DHP decision in writing and with reasons, as soon as is reasonably practicable. You must be consistent and avoid unnecessary delay.
- 3.15 When issuing a decision you may also want to provide information about the process for reviewing the decision that you have in place. As DHPs are discretionary arrangements, there are no appeal rights to a Social Security Tribunal, although the route of Judicial Review is available, see [Dispute procedures](#) later in this guidance.
- 3.16 You should also clearly distinguish the dispute/appeal rights that apply to HB and UC. It is important that customers are not inadvertently led to believe that such appeal rights also apply to DHPs.
- 3.17 There is no legal requirement to notify landlords of a DHP decision, but you may wish to do so. 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.

3.18 If you are already paying HB to the landlord and later award a DHP you may wish to advise that the DHP is also being paid directly to them. This may equally apply where a person is getting UC and some element of that is being paid to the landlord in respect of housing costs.

Backdating a DHP

3.19 You should look at each claim on its own merits when deciding whether or not to backdate a DHP. There are no rules on backdating but you do have a duty to act consistently.

3.20 We amended the regulations from 7 April 2008 to make it clear that a DHP can only be considered for a period where the linked HB is payable. This is of particular relevance to requests for a period of backdated DHP.

3.21 Additionally a DHP cannot be awarded in respect of a period before 2 July 2001.

Administering DHPs

Who can accept claims?

- 4.0. Only LAs can accept claims for DHPs but this can include any department within the local authority, including departments dealing with claims for local council tax support.
- 4.1 As DHPs are not payments of HB, provisions which allow Jobcentre Plus or Pension Service offices to accept claims in certain circumstances do not apply.

Who can administer DHPs?

- 4.2 Who administers DHPs is entirely up to you. Your authority has the choice as to who, or which department, within your LA will administer, determine and award DHPs.

When can a DHP application be made?

- 4.3 There are no rules on when a person can claim a DHP, although a payment can only be considered for a period where there is a linked entitlement to HB or UC.
- 4.4 Where changes are anticipated, such as the introduction of size criteria in the social rented sector or introduction of the benefit cap, you may decide it is helpful to allow applications for DHPs from claimants in advance.
- 4.5 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

- 4.6 DHPs may be delivered via HB payment systems and may also be paid on HB instruments of payment. However the authority must be able to differentiate, in any given case, between HB and DHPs, i.e. there must be a clear audit trail.
- 4.7 If a DHP is paid with HB, notifications to the customer must clearly show how much is HB and how much is the DHP.

Contracting out

- 4.8 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.

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Claim maintenance

Length of award

- 5.0 The length of time over which you can pay an award is up to you.
- 5.1 It may be appropriate for you to make a short term award to give a customer time to sort out their financial circumstances or housing circumstances, particularly if they are trying to find alternative accommodation.
- 5.2 Alternatively, you may wish to make an indefinite award until the customers circumstances change. The start and end dates of an award are up to you.
- 5.3 For example, if you were to award a DHP to a customer who lives in significantly adapted accommodation in the social rented sector but who is subject to a reduction for under-occupancy, you might consider the DHP on a longer-term basis, including an indefinite award subject to a relevant change in their circumstances.
- 5.4 When there is a specific end date, you should make it clear to the customer what the period of the award is.
- 5.5 The purpose of the award may be to meet a one off housing need such as a deposit or rent in advance. In this instance there is no requirement to specify the period of the award.

Change of circumstances

- 5.6 A customer receiving DHPs is required to notify you of any changes of circumstances which may be relevant to their continuing to get DHPs.
- 5.7 You need to make sure the recipient is aware of the changes they should report. There is no statutory timescale for notification; it is for you to decide. It is also for you to decide the means by which such changes are notified.
- 5.8 Many changes of circumstances that customers have a duty to report for HB or UC purposes may also be relevant to their continuing to get DHPs. You may use such information to review the level of the DHP.

When you can stop paying a DHP

- 5.9 There are instances other than a change of circumstances when DHPs can be stopped.

5.10 You can stop making any further DHPs:

- if you decide that DHPs are being, and/or have been made because someone has misrepresented or failed to disclose a material fact, fraudulently or otherwise; and/or
- when they have been paid as a result of an error.

Overpaid DHPs

- 5.11 You can recover DHPs if you decide that payment has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise. You may also recover DHPs if you decide they have been paid as a result of an error made when the claim was determined.
- 5.12 You may not recover DHPs from ongoing HB or UC. This is unlike HB overpayments where there is a regulatory provision to allow recovery from ongoing HB.
- 5.13 There is also no provision for recovery of overpaid DHPs from other prescribed benefits.
- 5.14 Therefore the only method of recovery if a DHP is overpaid is to request repayment of the debt from the claimant. This may be in the form of an invoice or however you choose to do so, for example using debt collection agencies or via the courts.

Dispute procedures

Introduction

- 6.0 The LA can review a DHP decision in the event of disputes.
- 6.1 However, decisions on DHPs cannot be appealed to a Social Security Tribunal as they are not empowered to deal with them. The route of judicial review is available, and the local government ombudsman if there is an allegation of maladministration.
- 6.2 There is flexibility as to how you apply any dispute process. You may look at a decision again in the light of representations made by the customer (in whatever form you decide) or whenever you consider it appropriate for whatever reason.
- 6.3 You may also review a DHP decision in the event of a dispute either at the time of the initial rejection or subsequent to a cancellation or recovery. We do not set out circumstances in any more detail. However, you do need to be consistent.

Reviewing the decision

- 6.4 You may also decide who in the authority may look at a decision again.
- 6.5 To minimise the risk of legal challenge you are advised to ensure that the review is carried out by someone other than the person who made the original decision.

Notifying the customer

- 6.6 Notify the customer of a review outcome in writing with reasons as soon as is reasonably practical.

Assurance arrangements

DHP Claim form

- 7.0 The Discretionary Housing Payments (Grants) Order 2001 requires LAs to submit a DHP claim form providing details of DHP expenditure. This request occurs twice a year – 1 September and 30 April. LAs are requested to complete and return the form to DWP accounting services.
- 7.1 The claim form must be signed by the Responsible Finance Officer within the LA (pursuant to S.151 of the Local Government Act 1972 or S.95 of the Local Government (Scotland) Act 1973 as appropriate). Due to the increase in DHP funding highlighted in the table below, and following discussions with the National Audit Office, the Department has strengthened its assurance arrangements by including a few more requirements in the local authority certificate to be signed off.
- 7.2 In addition to providing details of DHP expenditure, the Responsible Finance Officer must certify that all entries on the claim form are accurate and expenditure has been made in accordance with this guidance and the regulations governing DHPs.

DHP funding from 2013/14

- 7.3 The baseline funding towards DHPs is £20 million per year. Following recent welfare reforms, the funding has been increased to reflect the increased demand for DHPs. The table below illustrates the current funding position:

	2012/13	2013/14	2014/15
Baseline Funding	£20m	£20m	£20m
LHA reforms	£40m	£40m	£40m
Social Size Criteria		£30m	£30m
Benefit Cap		(up to) £75m	(up to) £45m
Total:	£60m	£165m	£135m

- 7.4 Although local authorities have a large degree of discretion, you should be aware of the purpose of the increased funding when considering applications for DHPs.

- 7.5 The allocation of the increased funding has been agreed following consultation with local authority associations and the distribution formula is intended, as far as possible, to target resources according to need within your local authority.

Monitoring Arrangements

- 7.6 As a result of the increased funding DWP are required to monitor how DHPs are being used to support customers affected by the welfare reforms. In addition to the annual DHP claim form, LAs will be requested to provide a broad breakdown of their expenditure.
- 7.7 Following a successful application for DHPs, you should record the main reason for the award, as detailed below:
- i) to support customer affected by benefit cap
 - ii) to support customer affected by social sector size criteria
 - iii) to support customer affected by LHA reforms
 - iv) any other reason (covers original £20m funding)

The four main reasons reflect the intent of the increased funding.

- 7.8 When considering DHPs, you have the discretion to decide on the **main** reason for making a payment. It is important that you keep records of each decision which supports payments made. We would expect your decisions to be consistent.

Example

Mr and Mrs Smith rent a property which costs £350.00 per week. They have 2 children and are entitled to the local housing allowance for 3 bedrooms, restricting their maximum HB to £340.00 per week.

Their total income including HB is £573.22 per week. They are not exempt from the benefit cap; therefore the award of HB is reduced by £73.22 per week. This reduces their total weekly welfare benefits to £500.00 per week.

Their maximum HB is reduced by both restrictions to LHA and by the introduction of the benefit cap. Following an application for DHPs, you decide to award £50.00 per week to help meet the shortfall between HB and their rental liability.

When recording the main reason for the award, you should take into consideration where the greatest shortfall occurs. In this example, it would be appropriate to record the main reason for the award to help support a customer affected by the benefit cap.

- 7.9 The breakdown of expenditure will be gathered using a return form that will be issued to LAs as part of a 'S' circular. The summary of the four DHP categories supplied should be consistent with the total figure in the DHP claim form submitted. These monitoring returns will be required twice a year. The Department will issue a circular highlighting the deadlines for submission. These dates are 1 Sept and 30 April each year.

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Appendix A: Good Practice Guide

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Section 1: Support for customers affected by the benefit cap

Background to the benefit cap

- 1.0 From April 2013, the total award of household benefit payments for working-age claimants will be capped. 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 Initially the cap will be applied by LAs through HB payments. When a household's total benefit entitlement exceeds the cap the LA will reduce the level of HB by the excess amount.
- 1.2 A de minimus amount of £0.50 will be paid when the reduction of the excess would otherwise remove all payments of HB. From October 2013 the cap will be applied through UC, starting with all new claims for UC including those migrated from existing benefits.
- 1.3 Total entitlement to benefit payments will be capped at £500 per week for couples and lone parent households. The level of entitlement for single adults will be capped at £350 per week.
- 1.4 For those claiming UC the cap will be applied for the assessment period, which will be monthly. The direct monthly equivalent limits are £2167 for couple and lone parent households and £1517 for single households.
- 1.5 There are some exemptions from the cap among benefit recipients. The benefit cap is intended to increase work incentives, therefore we will exempt households that are considered to be "in-work." Claimants in receipt of HB will be considered in-work and be exempt from the benefit cap if they are entitled to Working Tax Credit.
- 1.6 Claimants on UC will be considered to be in-work if they earn more than the prescribed earnings threshold.
- 1.7 We will also exempt households where someone is in receipt of:
 - Attendance Allowance;
 - Industrial Injuries Benefit (and equivalent payments made as part of a War Disablement Pension or the Armed Forces Compensation Scheme);
 - Employment and Support Allowance with a support component. For those on UC this will be limited capability for work and work-related activity;
 - Disability Living Allowance or its replacement Personal Independence Payment;

- Where a person is not receiving Disability Living Allowance, Attendance Allowance or a War Disablement Pension because they are in hospital or a care home, the exceptions will continue to apply
 - War widows and widowers will also be exempt.
- 1.8 From the benefit cap's introduction in April 2013 there will be a grace period of 39 weeks for those claimants who have been in work for the previous 12 months and find that their circumstances have changed because their job has ended. This will allow people time to find alternative employment or consider other options to avoid the impacts of the cap.
- 1.9 The grace period will apply equally to those whose job finishes before or after the introduction of the cap. For example, in the case of somebody who finishes work in February 2013, which is prior to the cap's introduction in April 2013, the cap would not apply until 39 weeks later in November 2013.

Support for those subject to the benefit cap

- 1.10 The Government is providing additional funding of up to £75 million in 2013/14 and up to a further £45 million in 2014/15 for Discretionary Housing Payments for this purpose.
- 1.11 This additional funding is intended to give short-term, temporary relief to families who may face a variety of challenges which prevent them from being able to move immediately or to help manage families move into more appropriate accommodation.
- 1.12 It 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 supported, exempt or temporary accommodation;
 - Individuals or families fleeing domestic violence;
 - Those with kinship care responsibilities;
 - Individuals or families who cannot move immediately for reasons of health, education or child protection;
 - Households moving to more appropriate accommodation.
- 1.13 There will be a number of ways that claimants affected by the cap may react to having their HB reduced by the benefit cap. 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.

- 1.14 Those who are affected by the cap will have access to and receive support from Jobcentre Plus and the Work Programme to help them find work. People in receipt of working tax credit will be exempt from the cap.
- 1.15 DHPs can make an important contribution to managing the transition for various customers whilst they make the necessary changes to adapt to the application of the benefit cap. The allocation of this funding reflects the varying impact of this measure on different LA areas.
- 1.16 The following examples show how DHPs can be used 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 and receive the following benefits:

Jobseekers Allowance:	£111.45
Child Tax Credit:	£88.07
Child benefit:	£33.70
Housing Benefit:	£340.00
Total welfare benefits:	£573.22

The benefit cap for Mr and Mrs Smith is £500.00 per week; therefore, their award of housing benefit is reduced to £266.78 per week (reduction of £73.22).

Mr Smith has been unemployed for one year and has found it difficult to find employment in his usual vocation; he is currently attending his local Work Programme provider for support to find work.

In addition, Mr and Mrs Smiths oldest child is 15 years old and in the process of completing her GCSE's 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 £73.22 until Mr or Mrs Smith move into work or their eldest child completes her GCSE's.

Example

Ms Blythe has two children with her partner and is receiving HB at her permanent property. At present the benefit cap does not apply.

Ms Blythe moves into a refuge with her children to flee her partner who was physically violent towards her. The refuge offers support to those who are affected by Domestic Violence. Ms Blythe is now receiving HB for two properties - the home she is fleeing and the refuge she is staying in.

Although her Jobseekers Allowance payments have reduced as she is now a lone parent, the amounts of HB for the two properties she now receives means the benefit cap will apply to her.

You may decide to award a DHPs until Ms Blythe is able to adapt her circumstances so she no longer has the benefit cap applied.

Example

Mr and Mrs Collins have recently become kinship carers for their three grandchildren after the children's parents were no longer able to take care of them. The Local Authority has re-housed the family from their 1 bedroom flat to a 3 bedroom property

Due to the increase in the benefits the household receive, the benefit cap will now be applied to the household.

Mr and Mrs Collins don't believe it would be appropriate to move into employment straight away as the children need time to adapt to their new circumstances.

You may decide to award a DHP until Mr and Mrs Collins are able to move into employment or adapt their circumstances so they no longer have the benefit cap applied.

Example

Mr Benn is Universal Credit 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 adapt his circumstances to avoid the benefit cap until he is notified of the decision from his appeal. You may decide to award a DHP until Mr Benn's appeal is heard and decided.

Section 2: Support for customers affected by the size criteria

Background to size criteria in the social rented sector

- 2.0 From April 2013 working-age claimants living in the social rented sector may face 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 (the Shared Accommodation Rate is not applicable, however).
- 2.1 The rates of reduction to the eligible rent for those affected by this measure are:
- 14% where there is under-occupation by 1 bedroom; and
 - 25% where there is under-occupation by 2 or more bedrooms.
- 2.2 We 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 We would encourage all LAs to consider how best to communicate the change to those potentially affected before the measure comes into force. Further advice about implementing this change is available via the DWP website: [Adjudication and Operations Circular A4/2012](#). This includes a toolkit to help LAs and other landlords prepare for the changes including how to identify and help those potentially affected consider the full range of options that may be available to them.

Support for those subject to the size criteria measure

- 2.4 The Government has provided an additional £30 million to the DHP budget from 2013/14 in support of this particular measure. This additional resource is intended for those affected by this measure who are unlikely to be able to meet the shortfall and for whom moving to a smaller property may be inappropriate.
- 2.5 It is aimed specifically at two groups - disabled people living in significantly adapted accommodation – including any adaptations made for disabled children; and foster carers, whose housing benefit is reduced because of a bedroom being used by, or kept free for, foster children. The expectation is that this money will be prioritised for these groups.
- 2.6 For claimants living in specially adapted accommodation, it will sometimes be more cost-effective to enable tenants to live in their current accommodation rather than moving them into smaller accommodation which then needs to be adapted.

- 2.7 The Government acknowledges the important work that foster carers do and wants to ensure that they are able to live in property which is of a suitable size to enable them to continue in a fostering role.
- 2.8 The allocation of this additional funding has been done in such a way so as to broadly reflect the impact of this measure.

Example

Mr and Mrs Thom rent a four bedroom house from a registered housing provider. They have two children, a girl of 7 and a boy of 5. They receive Housing Benefit to cover the full rent of £90 per week.

Under the new size limit rules they are considered to be under-occupying the house by two bedrooms as the children would be expected to share a room because they are both under ten years old. As they are under-occupying by two bedrooms a 25% reduction of £22.50 would be applied to the eligible rent meaning they would now receive Housing Benefit of £67.50 per week.

Mrs Thom is in a wheelchair and significant adaptations have been made to the property to make it more accessible. If the family moved to a different property that property would then need to be adapted at considerable expense. You may therefore decide to award a DHP of £22.50 per week to enable the family to remain in their current adapted house.

Example

Mr and Mrs Chande live in a three bedroom house. They have one daughter of 16 studying for her GCSEs. They are also registered foster carers who regularly have children placed with them for short periods of time.

The size limit rules do not take account of foster children in the calculation of how many bedrooms a household requires. The Chandes would therefore be considered to be under-occupying their house by one room only requiring two rooms, one for themselves and one for their daughter.

The Chandes' rent is £85 plus £10 service charges, £95 all together. £2.50 of the service charges is ineligible so their eligible rent is £92.50. Once the new size limit rules are applied a 14% reduction of £12.95 will be applied to their eligible rent meaning they will receive Housing Benefit of £79.55.

They are having difficulty meeting the shortfall, particularly when between placements and you may wish to award a DHP of £12.95 a week to enable the Chandes to keep their extra bedroom and therefore keep fostering.

Section 3: Support for customers affected by LHA restrictions

Background to the changes to LHA rates

- 3.0 Since April 2011, the calculation of LHA rates has been revised and these changes are likely to result in an increase in demand for DHPs, particularly as any protection measures come to an end. The changes are as follows:
- the five bedroom LHA has been removed so that the maximum rate is for a four bedroom property;
 - absolute caps for each property size have been introduced as follows:

£250 for a one bedroom property
£290 for a two bedroom property
£340 for a three bedroom property
£400 for a four bedroom property
 - LHA rates are now set at the 30th percentile rather than the median.
- 3.1 Customers in receipt of HB on 31 March 2011 were not affected by these changes straight away. The new rates will normally apply from the anniversary of their claim but they could have up to a further nine months' protection from a reduction in their LHA rate.
- 3.2 Although the period of transitional protection may have provided existing customers with time to look for alternative accommodation, once their LHA rate reduces, some customers may still require assistance beyond the period of protection.
- 3.3 In addition to these changes, from **April 2013**, LHA rates will be uprated annually in line with the Consumer Price Index inflation (CPI), instead of being set every month in line with market rents (Retail Price Index – (RPI)).
- 3.4.1 As part of the preparation for this measure, LHA rates will be frozen at the April 2012 rates until the first uprating takes place in April 2013. The precise impact of this measure depends on the choice of accommodation made by LHA recipients and whether landlords decide to restrict their rent increases in line with LHA rates, but it could mean some customers have a greater shortfall between their LHA and their rent.

Support for those subject to LHA restrictions

- 3.5 The Government has provided an additional £40 million to the DHP budget for 2013/14, aimed at enabling local authorities to provide additional support to claimants who have been impacted by the changes to LHA.

Example

Harry has to move from his bed-sit in central London as his housing benefit no longer meets his rent. His only income is from a part-time job with his net pay amounting to £100 per week.

With the assistance of his local authority he finds a bed-sit in another borough within the LHA rate with a rent of £101 per week. He now has bus fares of £20 per week 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 Citizen's Advice Bureau and they suggest he claims a DHP. One of the LA's objectives is to use DHPs to help people maintain their employment and it will consider disregarding fares to work in deciding on the amount of a DHP.

The LA awards a DHP of £13 which is the difference between his HB award and what the award would be if the fares to work were included in the disregard.

		Actual HB calculation	Hypothetical HB calculation	DHP award
A	Eligible rent	£101.00	£101.00	
B	Personal Allowance	£67.50	£67.50	
C	Less net earnings	£95.00 (£5 disregard)	£75.00 (£5 disregard plus £20.00 bus fares)	
D	Difference	£27.50	£7.50	
E	Apply 65% taper	£17.78	£4.88	
F	HB award	£83.22	£96.12	£13.00

Section 4: Managing the DHP scheme

Overview

- 4.0 The following good practice examples are to help you to decide whether or not to award a DHP. But first and foremost you should be aware that 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 of your decisions vulnerable to challenge by judicial review.
- 4.2 However, this does not mean that you must not develop a policy at all; it simply means that your 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. You should bear in mind that in some cases, there may be a good reason for doing things differently.

Objectives for award

- 4.4 Some authorities have certain objectives in mind when considering whether to make an award of DHP. These include:
- alleviating poverty
 - encouraging and sustaining people in employment
 - tenancy sustainment and homelessness prevention
 - safeguarding residents in their own homes
 - helping those who are trying to help themselves
 - keeping families together
 - supporting domestic violence victims who are trying to move to a place of safety
 - supporting the vulnerable or the elderly in the local community
 - helping customers through personal and difficult events
 - supporting young people in the transition to adult life, or
 - promoting good educational outcomes for children and young people

Publicising DHPs

- 4.5 It is important to publicise the existence of the DHP arrangements as they are a key element of the Government's strategy for managing reductions to HB or UC arising from welfare reform.
- 4.6 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 come to the LA to discuss a claim;
 - proactively assisting vulnerable customers to make applications by, for example, visiting them in their own homes;
 - informing external and internal bodies that give advice (money advice, welfare rights, homelessness, housing etc.) to customers, of the existence of DHPs;
 - developing and establishing links to ensure awareness of the scheme among staff working in housing options, homelessness and adult and children's services (children's services should also be advised to inform the fostering agencies with whom they contract);
 - including DHP advice as part of your 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; or
 - targeted communications aimed at those likely to be affected by telephone, text message or other social media such as Twitter.

Administration of DHPs

- 4.7 It is entirely up to you how you administer the DHP arrangements but you may wish to consider the following suggestions:
- would using the same payment cycles as the customer's HB 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, Private Rented Sector Access Schemes highly effective in making best use of DHPs;
- you could set up a system, for example a spreadsheet, to ensure awards are reviewed and monitored;
- you may wish to visit customers 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, you could review the DHP award at the same time, as the change of circumstances may mean that the criteria for DHP are no longer met;
- you could identify at the time of the first award whether a second award might be necessary, and issue a review form prior to the end of the award asking what action has been taken during the period of the award;
- paying DHPs from the date on the application form would make things more transparent for both LAs and customers, though backdating and paying in advance is allowable;
- customers normally have to arrange their finances quickly and so you could ensure that decisions on DHP claims are made within four weeks;
- linking DHP claims with a benefit maximisation application;
- incorporating a review mechanism for longer term claims.

Notifying decisions on DHPs

- 4.8 Customers will need clear information about the decision on their DHP claim. You can include information about the DHP decision on the HB notification form (but you should make it clear that DHPs are not HB and you should specify the amount of the DHP).
- 4.9 Where you have made a decision on the award customers 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);
 - information on who to contact if they need further help or advice.

Disputes procedures

4.10 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;
- the decision letter should clearly state the reasons for a negative decision;
- customers know who they can complain to in the first instance;
- customers are given some idea how long the process will take;
- if they disagree with the first decision they should know where they may go next.

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Section 5: Further examples of good practice

- 5.0 The following are examples of good practice (in the form of questions you may wish to consider or facts that you may wish to take into account) that you may find helpful when considering a DHP award. What questions you decide to ask and how you form a decision based on the responses to such questions is up to you. 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 the homeless 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.

- a DHP would prevent the household from being evicted and thus 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 thus 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;
- you could work with homelessness organisations, and those operating rent deposit schemes, as well as your council's homeless section to prevent loss of tenancy.

The tenancy

- 5.2 You could consider the following issues concerning the tenancy.

- is there scope for the landlord to reduce the rent?
- can your housing options or homelessness prevention team help the customer to negotiate a lower rent if the customer feels unable to attempt to do so themselves?
- does the customer 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?

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 think about the following.

- Does the customer have other debts to pay?
- Have they sought advice on how to clear their debts?
- Can the customer re-negotiate non-priority debts, such as credit card agreements?
- Is the customer entitled to other welfare benefits and not claiming them?
- 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?
- Can the customer change their spending pattern on non-essential items?
- Is the customer taking long-term action to help their problems in meeting their housing costs?
- Could the customer afford the rent when they moved in?
- Can the customer increase his hours or do any overtime?
- Is the customer in work but with high travel costs, because of split shifts for example?

The household's medical circumstances

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?
- Does the household have a health problem which means that the choice of housing is restricted either temporarily or permanently?
- Does the customer require an extra room because of a 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?

Other circumstances

5.5 There may be other circumstances applying to the customer or a member of their household which you think need to be taken into account:

- Is the customer fleeing domestic violence so they do not have time to shop around for a reasonably priced property?
- 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 customer expecting a child and had her HB restricted to that of smaller accommodation until the child is born?
- Is the customer a single person living in an area where there is a shortage of shared accommodation?
- Is the customer a care leaver who has a reduction in their LHA rate after becoming 22 years old?
- Is there is a particular reason that the customer chose to live in this accommodation?
- 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?
- Would it be helpful to pay DHPs 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?
- You could consider paying the DHP to those returning to the workplace as an encouragement for others to do the same.

Likely duration of award

5.6 The length of time over which an award of DHPs can be paid is up to you, but you may find it helpful to consider the following:

- Is any need likely to be short-term?
- Is the customer likely to require assistance in meeting their housing costs for as long as they remain in the property?
- You could consider paying DHPs until the earliest opportunity that cheaper accommodation could reasonably be sought.
- You could consider paying DHPs until a particular milestone, such as the end of training, first possible break clause in a tenancy, and so on.

Backdating of DHPs

5.7 When backdating an award you may wish to consider:

- the customer's age and health
- personal circumstances
- make-up of household
- the local housing market

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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 you to profile your DHP budget to meet demand over the course of the year.
- 6.1 Following welfare reform changes you may be able to use information you already hold to predict when demand is going to increase and the likely scale of the shortfalls.
- 6.2 It may be helpful to gather and analyse information you hold on your benefit systems to help you profile your DHP budget.
- 6.3 You may need to work with partner housing associations or Registered Providers as well as the department responsible for the local authority's own stock, to profile the impact of the introduction of size criteria in the social rented sector in your area. The department with responsibility for housing in your local authority may be able to assist with this.
- 6.4 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 your scheme's objectives (see below for a list of groups you may wish to target for DHPs).
- 6.5 Although the Department has already carried out various Equality Impact Assessments in relation to HB reform, available on the DWP website, you may want to carry out a more detailed assessment for your area.
- 6.6 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.
- 6.7 With the changes to LHA rates in 2011 you can use information you already hold to predict when demand is going to increase and the likely scale of shortfalls.
- 6.8 For example you could take account of the following.
- The distribution of anniversary dates for existing customers. Are there peaks caused by previous large scale redundancies? Will these cause a surge in demand for DHPs at the end of the transitional protection period?
 - Do you have information on the range of rents charged in the area?

- Can you identify particular types of cases such as households in properties with more than five bedrooms and possible shortfalls?
 - People who are disabled or frail or families with school age children may be less able to move, can you establish volumes of these types of cases?
 - Are you likely to use funding to pay for lump sum assistance for rent in advance and deposits?
- 6.9 You may also be able to reduce some demand by offering customers 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, you may consider paying HB directly to the landlord if they are prepared to reduce their rent to the level of the LHA rate
- 6.10 By taking action in advance of the financial year to analyse your caseload you will have useful information that will help you profile and prioritise your budgets
- 6.11 Your 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
 - customers characteristics.

Managing the transition

- 6.12 Have you had an authority wide discussion on your overall strategy on issues including the following:
- providing information on the changes and ensuring that claimants have adequate time to consider their options;
 - making information on DHPs more available;
 - providing housing advice and help with negotiating reductions in rents with landlords (since April 2011 you have discretion to pay HB direct to the landlord if it helps the claimant to secure or retain an existing tenancy);
 - 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 social services departments (including children's services) or other external organisations can be involved in applications from people with disabilities or foster carers, for example, to advise on their accommodation needs;
- You may find it very helpful, if you don't do so already, to work closely and strengthen links with other services in your LA to help inform decisions on DHPs. For example Adult and Children's Services when dealing with claims associated with foster carers. (It is important to keep in mind whether you would need a customer's consent to share information between services);
- whether additional resources for processing claims are needed;
- if you need to reconsider and streamline your processes; and
- whether to allow for DHP decisions to be made in advance of HB changes coming into force.

6.13 Have you considered working with neighbouring LAs if your claimants will be more likely to find accommodation outside of your own area?

For example:

- agreeing that as the exporting LA you 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 you have made such an award;
- discussing availability of accommodation and other services such as school places;
- involving your 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.

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

Considering your DHP strategy to take account of increased demand

- 6.15 Given the numbers of people affected by the changes, awarding DHPs to meet all shortfalls is not going to be a viable option. You will need to consider how best to target the funding within your priority groups, whilst remembering that each case must be considered on its own individual merits.
- 6.16 Some groups you may want to assist to stay in their home are, for example:
- families with children at a critical point in their education;
 - young people leaving local authority care;
 - foster carers, including those between placements:
foster children are not included in the HB assessment but neither is the income from foster allowances. The Government greatly values the work done by foster carers. Whilst some carers may be able to make up the shortfall using some of their allowance, or by other means, you may want to consider supporting foster carers who are deemed to be under-occupying their accommodation because they have rooms required by foster children, or being kept available for future placements. Local authorities should bear in mind that foster carers should not be out of pocket because of their foster caring role.
 - People going through the approval process to become foster carers who may need to show that they have a spare room to be approved. If a DHP was paid on this basis it would be up to the claimant to inform the LA of any change of circumstances if, for example, they were not subsequently approved.
 - families with kinship care arrangements. Children who go into the care of family and friends are often extremely vulnerable and will usually benefit from the stability of remaining in a familiar area and continuing to attend their local school;
 - families with a child temporarily in care but who is expected to return home. What constitutes temporary will be at your discretion
 - families with a social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project;
 - people who have had to flee domestic violence or have moved because of the threat of violence in another area;
 - where someone in the household is expecting a baby (including those currently in shared accommodation or subject to an under-occupation reduction);
 - ex-homeless people being supported to settle in the community;
 - people with health or medical problems who need access to local medical services or support that might not be available elsewhere;

- people with disabilities who need, or have had, significant adaptations made to their property, or where they are living in a property particularly suited to their needs.
- where the claimant or someone in their household has a disability which requires them to have a larger property than would usually be the case for the size of their household due to, for example, a medical condition or where a child has a particular disability that might mean they are unable to share a bedroom;
- people with disabilities who receive informal care and support in their current neighbourhood from family and friends which would not be available in a new area. In this respect you may also consider families who have a child with a disability who rely heavily on local support networks
- households with disabled children who require an overnight carer;
- the elderly 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.

Appendix B: What DHPs cannot cover

- 1.0 These are the elements of a person's rent, and shortfalls in benefit that cannot be met by a DHP under the legislation.
- 1.1 **Ineligible charges:** service charges that are not eligible for HB cannot be covered by a DHP. These are as specified in Schedule 1 to the Housing Benefit Regulations 2006 and Schedule 1 to the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006. Nor can DHPs cover charges for water, sewerage, and environmental services – as defined and calculated under the HB provisions.
- 1.2 **Increases in rent due to outstanding rent arrears:** Regulation 11(3) of the Housing Benefit Regulations 2006 and Regulation 11(2) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 refer. This refers to those cases where a customer's rent is increased on account of outstanding arrears which are owed by the customer in respect of their current or former property.
- 1.3 **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)
 - any reduction in benefit as a result of non-attendance at a work-focused interview. This applies both where the person's HB/CTB is reduced and when any other benefit that the person is receiving, such as IS is subject to a sanction
 - any reduction or loss of benefit due to a JSA employment sanction. JSA is not payable for the period of sanction if they have contributed towards their unemployed status, for example, by leaving employment voluntarily or failing to attend a prescribed training scheme. In such cases, it may be possible for a reduced rate of JSA to be paid under the JSA hardship provisions
 - any reduction in benefit due to a JSA sanction for 16/17 year olds – for certain young people who receive JSA under a Severe Hardship Direction. JSA is not payable for the period of the sanction if they have contributed towards their unemployed status, for example, by leaving

unemployment voluntarily or failing to attend a prescribed training scheme, or

- any restriction in benefit due to a breach of a community service order

- 1.4 **Benefit suspensions:** HB can be suspended either because there is a general doubt about entitlement or because a customer has failed to supply information pertinent to their claim. In such cases, it would not be permissible to pay DHPs instead. One of the intentions of the suspension provisions is to act as a lever to ensure that the customer takes the necessary steps to provide the authority with the necessary information/evidence - paying DHPs could reduce the effectiveness of this lever.
- 1.5 **Rent, when the person is getting 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 should not take into account any financial assistance that they may require with their council tax, when considering the award of a DHP.
- 1.6 **Shortfalls caused by HB overpayment recovery:** when recovery of an HB overpayment is taking place, such shortfalls should not be considered for a DHP.