

Discretionary Housing Payments

Public Consultation

August 2012

Discretionary Housing Payments

Introduction

This consultation seeks your views on the Discretionary Housing Payments (DHP) guidance manual that will come into force from April 2013. This replaces the 2011 guidance, and reflects changes in the social security benefit system.

We are also seeking your views on monitoring arrangements that will be introduced following increased government funding towards the DHP scheme.

About this consultation

Who this consultation is aimed at

This consultation is aimed at local authorities (LAs) who are responsible for administering DHPs. However, we also welcome views from other people or organisations such as claimants, landlords or welfare rights organisations. We are happy to receive responses from anyone with an interest in DHPs.

Purpose of the consultation

This consultation seeks views on the DHP guidance that DWP provides to LAs. Current guidance was issued in March 2011. We are updating this to take account of changes in the benefits system, such as the abolition of Council Tax Benefit (CTB) and introduction of Universal Credit (UC). It also includes a local authority good practice guide.

The Discretionary Financial Assistance Regulations 2001 provide the legal framework that allows DHPs to be made and we intend to amend these regulations later in the year to reflect the introduction of UC and abolition of CTB. A copy of the draft regulations will be published in the autumn.

Government funding towards the DHP scheme has been increased from £20 million per annum up to £165 million for 2013/14 and £135 million for 2014/15. The increased funding has been made to help LAs support specific groups of people affected by some of the key welfare reforms.

Following the increased funding, DWP will be introducing monitoring arrangements to track how DHPs are being used. This consultation also seeks views on the proposed method of monitoring DHP expenditure.

The responses to this consultation will be used to help complete the final guidance and monitoring arrangements.

A copy of the proposed guidance is attached.

Scope of consultation

This consultation applies to England, Wales and Scotland.

Duration of the consultation

The consultation period begins on 1 August 2012 and runs until 31 August 2012.

How to respond to this consultation

Please send your consultation responses to:

Ricki Lyon
Department for Work and Pensions
3rd Floor
Caxton House
Tothill Street
London SW1H 9NA

Or you can e-mail your response to: ricki.lyon@dwp.gsi.gov.uk

Please ensure your response reaches us by 31 August 2012.

When responding, please state whether you are doing so as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents, and where applicable, how the views of members were assembled. We will acknowledge your response.

Other ways of getting involved

We want to get views from as broad a range of people as possible about this issue.

Copies of the consultation documents have been published in the consultations section of our website www.dwp.gov.uk/consultations

If you would like this publication in another format, please contact us.

Post: Ricki Lyon, Department for Work and Pensions, 3rd Floor, Caxton House, Tothill Street, London, SW1H 9NA

E-mail: ricki.lyon@dwp.gsi.gov.uk

Telephone: 0207 7449 5309

We have sent this consultation document to a large number of people and organisations who have already been involved in this work or who have expressed an interest. Please do share this document with, or tell us about, anyone you think will want to be involved in this consultation.

Queries about the content of this document

Please direct any queries about the subject matter of this consultation to:

Ricki Lyon
Department for Work and Pensions
3rd Floor
Caxton House
Tothill Street
London SW1H 9NA

Or you can e-mail any queries to: ricki.lyon@dwp.gsi.gov.uk

Or you can call us on 0207 7449 5309.

How we consult

Freedom of information

The information you send us may need to be passed to colleagues within the Department for Work and Pensions, published in a summary of responses received and referred to in the published consultation report.

All information contained in your response, including personal information, may be subject to publication or disclosure if requested under the Freedom of Information Act 2000. By providing personal information for the purposes of the public consultation exercise, it is understood that you consent to its disclosure and publication. If this is not the case, you should limit any personal information provided, or remove it completely. If you want the information in your response to the consultation to be kept confidential, you should explain why as part of your response, although we cannot guarantee to do this.

To find out more about the general principles of Freedom of Information and how it is applied within DWP, please contact:

Central Freedom of Information Team
4th Floor Caxton House
Tothill Street
London
SW1H 9NA

Freedom-of-information-request@dwp.gsi.gov.uk

The Central FoI team cannot advise on specific consultation exercises, only on Freedom of Information issues. More information about the Freedom of Information Act can be found at www.dwp.gov.uk/freedom-of-information

The consultation criteria

This consultation is being conducted in line with the Cabinet Office Consultation Principles. Details of how we consult can be found here: [How we consult - DWP](#)

The key principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before;
- departments will need to give more thought to how they engage with and consult with those who are affected;
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy; and
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.

Feedback on the consultation process

We value your feedback on how well we consult. If you have any comments on the process of this consultation (as opposed to the issues raised) please contact our Consultation Coordinator:

Elias Koufou
DWP Consultation Coordinator
2nd Floor
Caxton House
Tothill Street
London
SW1H 9NA

Phone 020 7449 7439

>> elias.koufou@dwp.gsi.gov.uk

In particular, please tell us if you feel that the consultation does not satisfy the consultation criteria. Please also make any suggestions as to how the process of consultation could be improved further.

If you have any requirements that we need to meet to enable you to comment, please let us know.

We will publish the responses to the consultation in a report on the consultations section of our website www.dwp.gov.uk/consultations. The report will summarise the responses and the action that we will take as a result of them.

Background

LAs have a large degree of discretion over the DHP scheme which has remained largely unchanged since its introduction in 2001. They are required to act fairly, consistently and reasonably.

DHPs can provide further financial assistance to claimants receiving Housing Benefit (HB) or CTB, when a LA considers that additional help with housing costs is required. DHPs are administered by LAs using guidance issued by DWP.

In view of a number of changes to the welfare benefits system it is has become necessary to review the guidance.

The DHP guidance was last updated in March 2011. Although much of the guidance remains the same, it has been revised to take into account the increased funding towards DHPs and its intended purpose. In particular, the guidance now includes a good practice guide that offers advice on how DHPs can be used to support certain categories of claimants.

DHP Funding

Until recently, the Government contribution towards the DHP scheme was £20m per year. LAs are permitted to contribute two and a half times the Government contribution. Following recent welfare reforms, the Government contribution has been significantly increased to support specific groups of people, as follows:

- those affected by the benefit cap;
- those affected by the size criteria in social rented sector
- those affected by local housing allowance reductions

The table below summarises the latest 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

Although LAs have a large degree of discretion, they should take into account the purpose of the increased funding so that those affected by welfare reforms, including existing and known changes to housing benefit, can be considered for help. To

reflect this, the good practice guide offers advice to LAs on who should be given priority when considering claims for DHPs.

Monitoring Arrangements

As a result of the increased funding, DWP require LAs to monitor how DHPs are being used to support those claimants affected by the welfare reforms mentioned above.

Where a DHP has been made to a claimant affected by one of the three policy changes set out above, LAs will be required to record this and provide a twice yearly return to DWP. The guidance manual provides further details on the type of information LAs should record and how this information will be collected.

DWP are mindful that requiring LAs to submit detailed accounts on every award would be disproportionate, therefore the monitoring arrangements have been developed taking this into consideration.

How you can help

We would welcome any comments or suggestions on the proposed DHP guidance manual and good practice guide. We would particularly like to receive your comments on the following:

- Is the guidance clear on how DHPs can be used, and who will be eligible from April 2013?
- Are the examples in the good practice guide helpful (with regards to prioritising DHPs)?
- Would you like to see more or less examples?
- What are your views on the monitoring arrangements?

Please do not feel constrained by these questions. If you have any other comments or views you want to express, we will be very pleased to receive them.