

## Housing Benefit Circular

Department for Work and Pensions  
Caxton House, Tothill Street, London SW1H 9NA

# HB A11/2013

### ADJUDICATION AND OPERATIONS CIRCULAR

<b>WHO SHOULD READ</b>	Housing Benefit staff and local authority staff administering Discretionary Housing Payments (DHPs).
<b>ACTION</b>	For information
<b>SUBJECT</b>	Discretionary Housing Payments (DHPs)

### Guidance Manual

The information in this circular does not affect the content of the HB/CTB Guidance Manual; however it does replace the DHP good practice guide dated March 2011.

### Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at <http://www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications/hbctb-circulars/>
- have any queries about the
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**Discretionary Housing Payments (DHPs)**

<b>Contents</b>	<b>Paragraph</b>
Introduction .....	1
Background .....	5
DHP Guidance .....	7
What do the changes to the DHP regulations mean? .....	9
Reporting measures .....	11
 Appendix A: DHP claim data spreadsheet	
 Appendix B: DHP claim data return form	

## Discretionary Housing Payments (DHPs)

### Introduction

- 1 The Discretionary Financial Assistance Regulations 2001 provide the legal framework that allows local authorities (LAs) to pay Discretionary Housing Payments (DHPs). This circular contains details of amendments to the regulations contained within the Council Tax Benefit Abolition (Consequential Provision) Regulations 2013 and a further set of Universal Credit (Consequential Amendments) Regulations 2013.
- 2 The Council Tax Benefit Abolition Regulations 2013 were laid on 5 March 2013 and come into force on 1 April 2013. The Universal Credit consequential regulations are currently being prepared and we will confirm the date these come into force in a future bulletin.
- 3 The regulations, along with the explanatory memorandum, can be viewed free of charge via the website of the Office of Public information at [www.legislation.gov.uk](http://www.legislation.gov.uk).
- 4 This circular also contains details of the revised DHP guidance manual for LAs and reporting measures being introduced from 1 April 2013.

### Background

- 5 As a result of announcements during the passage of the Welfare Reform Act 2012, the Government contribution towards DHPs has been significantly increased to help LAs support people affected by some of the key welfare reforms, namely:
  - introduction of the benefit cap;
  - removal of the spare room subsidy in the social rented sector;
  - Local Housing Allowance (LHA) reforms.
- 6 The funding has been allocated using a method that, as far as possible, targets resources according to need.

### DHP guidance

- 7 To take account of the increased funding towards DHPs, the Department for Work and Pensions (DWP) guidance issued in March 2011 has been revised. Although much of the guidance remains relevant, changes were needed to take account of the increased funding 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 groups of people.

- 8 A consultation on the revised guidance was carried out last year and following responses from LAs and other interested groups, the final guidance has now been published on the [DWP website](#). The guidance takes effect from 1 April 2013 and replaces the previous guidance issued in March 2011.

### **What do the changes to the Discretionary Financial Assistance regulations mean?**

- 9 From April 2013, DHPs will be extended to people receiving Universal Credit (UC) providing they have a rental liability and are eligible for support towards housing costs. In essence, this means a person claiming UC who would have been eligible for Housing Benefit (HB), remains eligible for DHPs.
- 10 Furthermore, Council Tax Benefit (CTB) will be abolished from 1 April 2013 and LAs will start to provide localised Council Tax support. Following this change, DHPs will no longer be permitted towards Council Tax liability. Similarly, CTB has been removed as one of the qualifying conditions for DHPs.

### **Reporting measures**

- 11 Following the consultation on the DHP guidance manual, we advised that reporting measures are being introduced to monitor how DHPs are supporting people affected by the welfare reforms. Details of these were included in the [consultation response](#).
- 12 This means from 1 April 2013 LAs should record if a successful DHP claimant has been affected by one of the following:
- the benefit cap
  - removal of the spare room subsidy in social rented sector
  - LHA reforms
  - combination of reforms
  - no impact
- 13 You should also record the total amount paid to the claimant. For example, if the award is £10.00 per week for 20 weeks, the total award should be recorded as £200.00. If the payment is a one-off payment, then simply the amount paid. If a claimant re-applies for DHPs, this should be recorded as a new claim.
- 14 In addition, you should record the broad or main outcome expected from that award:

- to help secure and move to alternative accommodation (e.g. rent deposit)
  - to help with short-term rental costs until the claimant is able to secure and move to alternative accommodation
  - to help with short-term rental costs while the claimant seeks employment
  - to help with on-going rental costs for disabled person in adapted accommodation
  - to help with on-going rental costs for foster carer
  - to help with short term rental costs for any other reason.
- 15 It will be a matter for individual LAs' how they record and collate the information; however, a template spreadsheet is provided at Appendix A that you may find helpful.
- 16 Please note that DWP does not require details of individual claims. The information should be collated and will be gathered using a return form that will be issued to LAs twice yearly. We will issue a HB circular highlighting the deadlines for submission; initially in October 2013. An example of the return form is attached at Appendix B.