
Discretionary Housing Payments (DHP) Policy

Effective from 01 April 2025



Elmbridge
Borough Council

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1. Policy objectives

This DHP policy complements other corporate and housing service obligations in preventing hardship and housing insecurity. This policy provides access to further financial assistance with housing costs to the most vulnerable where the authority considers that this help is required.

Guidance given by the Department for Work and Pensions (DWP) provides way which DHP can support households and has been incorporated into the body of this policy. The difference between the rent payable and the lower levels of benefit entitlement, under occupying a property, Benefit Cap and one-off support costs.

Priority is given within this policy to protect those households with disability and serious ill health as well as the prevention of homelessness.

2. Responsibilities

a. Legal responsibilities

Authority for Local Authorities to make DHP payments arises from statutory Discretionary Financial Assistance Regulations 2001. This discretion comes in the form of a cash limited discretionary fund allowing Authorities to provide financial support for those in housing need. Such decisions are left with authorities through them drawing up and approving their own local policies.

When exercising such discretions there is a legal obligation on authorities to act judiciously and to ensure that they do not simply apply rigid blanket policies. The authority has a duty to act fairly, reasonably and consistently. This policy provides a guiding framework but also still allow sufficient discretion left to officers in making decisions following the ordinary principles of decision making where each case is judged on its own merits.

b. Financial responsibilities

Statutory Financial Orders prescribe a maximum allowable amount of discretionary housing payments that Elmbridge can make each year. Known as the permitted total. Article 7 of the DHP Grant Order 2001 states that authorities must not exceed the permitted total allowed otherwise they would be acting beyond their legal powers. There is also a Section 151 responsibility on the authority to submit a DHP claim form to the DWP providing details of DHP expenditure and different categories of claim types under strengthened assurance arrangements.

DWP provides an allocation to the local authority for DWP and Elmbridge seeks to pay out the full amount of subsidy awarded. It is therefore crucial that the budgetary level of payments is actively monitored with a view to paying up to the maximum but with qualifying criteria set to balance demand and ability to pay within the budget.

c. Customer responsibilities

A core element of this policy is that customers are expected to act responsibly by taking tenancies at reasonable rents and ensuring that they seek and receive appropriate housing advice before taking on or renewing tenancies.

Customers seeking to demonstrate vulnerability or hardship to support their claim will need to provide sufficient proof of any medical factors and / or breakdown of all relevant debt and expenditures.

Customers who are not considered vulnerable will need to provide details of their job seeking activities and the other options they have considered.

Customers who are awarded a DHP award must provide details of any changes of circumstances and the repayment of any overpayments.

3. Claim categories

There are two main higher-level categories of DHP award. These are:

- a. Ongoing weekly top ups / shortfalls in rent, or

- b. One off payment assisting with the costs of securing a tenancy

Within the more weekly top up category there are several subcategories.

a. Ongoing weekly top ups

This category contains the majority of the DHP caseload as well as the overwhelming majority of future DHP requests. These will come from four main sources; these being:

- LHA shortfall;
- Housing Element shortfall;
- Benefit Cap;
- Social housing tenants under occupying their homes;

These cases receive weekly top ups calculated as weekly amounts in each case. The maximum DHP award that can be made is the shortfall between the weekly equivalent full rent charged and the housing benefit or UC housing element award.

The LHA or Housing Element shortfall DHP caseload

These cases constitute large part of DHP expenditure. These are where the rent payable is above the relevant LHA / Housing Element. Unless these households find suitable cheaper accommodation or cease to claim Housing Benefit / UC housing element, if not most, are likely to continue to reclaim at the end of their current DHP award.

Total Benefit Cap cases

These are the cases where an annual ceiling of income from all specified benefits is applied to households, mostly households with children. These constitute the largest shortfalls and may command a significant call on DHP resources.

Under occupation in social housing

For social housing cases that are under occupying a property due to changes in household/circumstance, these will be considered for a DHP award for a period whilst looking at downsizing and/or making alternative arrangements with their landlord.

Level of awards

Most successful applicants will receive DHP to meet the shortfall or part of the shortfall between the actual rent payable and the LHA / UC housing element. This will only apply when the rent payable is considered reasonable.

For tenants of social housing affected by under occupancy charges, successful applicants will receive DHP up to the level of one bedroom extra. Awards for two bedrooms extra will be rare and will only be payable for reasons of extreme or multiple disability and / or extreme ill health in exceptional circumstances for a limited period.

For applicants who are affected by the Benefit Cap, they will receive DHP for either full or part of the Benefit Cap, depending on size of the cap and funding. Any additional DHP application for those who are affected by the Benefit Cap may reduce by a percentage. Benefit Cap DHP awards are only a short-term award for applicants to look at all their options i.e. looking for work, applying for other benefits to be exempt from the Benefit Cap, budgeting etc.

Length of awards

The length of the award will generally be for six months subject to further review when approaching that time. Awards may be reduced to three months if budget profiling shows that there is a realistic prospect of budget overspend.

As a general rule, cases where permanent ill health or disability where there is no or extremely limited capability for work may be granted longer term awards. This will be for a minimum of six months and up to twelve months in these cases. It is likely in cases of permanent disability or ill health, that in the absence of suitable alternative housing options, these cases will have their DHP reinstated at renewal of tenancy, possibly several times over.

Alternatively, cases involving able bodied, non-vulnerable, householders with a reasonable prospect of work will be granted short term awards of no more than

three to six months and that upon reapplication will have to be thoroughly reviewed each time.

Cases will generally not be backdated unless good cause has been proven. Any backdating will align with housing benefit regulations. A DHP can only be considered for a period where the linked HB / UC with housing element is payable.

b. One off payments

This category has a limited provision both financially and in terms of the number of cases that can be helped. It can assist with the upfront, one-off costs of taking up a tenancy, including deposits, rent payable in advance and any other lump sum costs such as removals etc.

These will be paid as one of payments to either tenants or landlords. These cases are focused on cases where there is either a formal homelessness duty or 'as if homeless' as assessed and notified to DHP administrators by the Housing Options team. The use of DHP is intended to assist where a homelessness duty applies or would apply by assisting finding a suitable tenancy in the privately rented sector.

These will often be cases where housing choices are forced on the customer by urgency, imminent threat of eviction or very real likelihood of homelessness.

The number of cases able to be assisted via this category is likely to be limited to a limited few cases each year with an expected total annual expenditure of no more than £15,000.

4. Claiming DHP

There must be a claim for DHP. A claim must be made on the authority's own electronic DHP form on the Council's website. Before any claim can be formally accepted this must have been properly completed in accordance with the instructions contained on the form and have provided all the relevant accompanying documentary evidence required to substantiate statements made on the claim.

5. Decision making framework

This policy provides a framework by which officers are guided in their decision making, ensuring consistent treatment of customers but allowing for sufficient discretion on the merits of each case.

Housing costs that cannot be assisted are ineligible service charges, increases in rent due to rent arrears or certain prescribed sanctions and reductions in benefit. There are some key qualifying criteria that must be met. These are called essential criteria and determine whether, or not DHP is awarded; all of which must be met.

Essential criteria

To meet these essential criteria, the claimant must require further financial assistance with housing costs and there must be:

- sufficient DHP funds available at the time of making the decision and,
- a valid rental liability for the property, and
- a current underlying entitlement to Housing Benefit, or Universal Credit with housing element, and
- the relevant tenancy is within the Borough, except in cases where the authority has a statutory housing duty, and
- a shortfall between the full rent payable and Housing Benefit award level or Universal Credit housing element, and
- a properly completed claim together with all relevant evidence as reasonably required, and
- a proven local connection either by their prior establishment within the Borough of 6 months or more, or their need to live here for employment or family reasons and,
- reasonable attempts have been made to seek to persuade the landlord to reduce the rent.

Discretionary criteria

There are a secondary set of discretionary criteria, which fall under four broad categories of:

- Vulnerability
- Housing Needs
- Work focus

A decision is made on these criteria. These include such considerations as:

Vulnerability

- relevant adverse health, medical or social factors exist in the household,
- the property has been specially adapted due to disability,
- debts and expenditure assessments evidence financial hardship.

Housing needs

- threat of homelessness,
- all relevant housing advice has been sought, received and acted upon,
- a rising age band will have a key entitlement effect in the next 6 months,
- the claimants are registered foster carers or formal carers.

Work focus

- all relevant employment seeking activities are being pursued.

6. Notification of decision

All claimants of DHP will be formally notified of the decision. Successful claimants will be informed of the weekly amount of the award, the period for which it is given including when it ceases. Unsuccessful claimants will be informed of the reasons why they were unsuccessful. Both successful and unsuccessful claimants will be given a right of appeal although the latter will constitute the most of these.

The notification will include a clear warning that the award is subject to financial considerations and the possibility of future shortened benefit periods.

7. Payment

DHP payment will be paid how Housing Benefit or the housing element of UC is paid, either to tenant or Landlord direct. DHP payments for the reduction in UC due to Benefit Cap will be paid to the tenant. Payments will be paid directly into a bank account.

8. Overpayments

Overpayments that are not Elmbridge's fault will be recoverable and if caused by the claimant will be recoverable from the claimant themselves. Where the landlord could reasonably have known that an overpayment was occurring but delayed in notifying Elmbridge then the overpayment is recoverable from them.

9. Right to a review / appeal

Claimants unsuccessful with their claims for DHP have a right of appeal. These will be decided upon by a different officer to the one who made the original decision. This is also known as an internal review. Appeals need to be made in writing and give full reasons / grounds for appeal. Appeals must be received by the Authority within one month of the claimant being issued with an unsuccessful notification of decision. Notifications of decisions on internal review should be issued to the claimant within one month of the receipt of appeal or where this is not possible where reasonably practicable thereafter.

Claimants who appeal but are still dissatisfied at the outcome of the internal review can request one final review. All such further reviews are decided upon by the Revenues & Benefits Systems Quality Manager. Notifications of decisions on final

review should be issued to the claimant within 1 month of the receipt of appeal or where this is not possible where reasonably practicable thereafter. This is the final right to appeal available to claimants under the terms of this policy.

10. Monitoring, quality and financial assurance

All claims for DHP are recorded on the Academy Benefits IT system. The DWP require authorities as part of the DHP subsidy claims process to monitor and report by the different categories of claim.
