

## Appendix 4

### Discretionary Housing Payment – Background Document

Discretionary Housing Payments (DHP's) are monies allocated by local authorities under legislation set out in the Child Support, Pensions and Social Security Act 2000 and The Discretionary Financial Assistance Regulations 2001 (SI2001/1167). In summary, the funds can be used to meet eligible rent for people already in receipt of housing benefit. The customer must make an application for the payment, and the council must consider the applicants financial need if an award is to be made. In effect, the fund allows some local discretion to meet the needs that are not covered by the national Housing Benefit or Universal Credit schemes.

In the interests of administering the fund fairly and consistently, it is recommended that the Council has a clear policy and criteria on which to base these decisions. This should take into account the local housing situation and other significant factors. The amended policy is set out in Appendix 1 to this document.

Guidance from the Department of Communities & Local Government (DCLG) and the Department for Work and Pensions (DWP) recommends using the DHP fund as one way of preventing and tackling homelessness. On occasions a small increase to Housing Benefit payments via the DHP fund can secure adequate housing at a much lower cost to the Council than dealing with the same customers as homeless. The guidance also advises that support from the DHP fund, should generally be temporary in nature.

Oxford City Council pays out around £70 million per annum in Housing Benefit to around 11,500 households. The majority of this is claimed back in subsidy from central government. Many of these households receive sufficient Housing Benefit to cover their rent in full. Those who do not, fall into the following categories:

1. Those that are working or have other income above the basic minimum levels. Their benefit is reduced in proportion to their income and capital.
2. Private sector tenants in properties considered too large by the national scheme for the household or more expensive than the average for Oxford.
3. Social sector tenants in properties considered too large by the national scheme.
4. People impacted by the Benefit Cap. Families are currently restricted to a total of £500 per week in benefits, and individuals to £350 per week. In autumn 2016 the Cap will be lowered to £385 and £258 respectively. The following benefits are included in the Cap:
  - i. Bereavement Allowance
  - ii. Carer's Allowance
  - iii. Child Benefit
  - iv. Child Tax Credit
  - v. Employment and Support Allowance
  - vi. Guardian's Allowance
  - vii. Housing benefit
  - viii. Incapacity benefit
  - ix. Income Support

- x. Jobseeker's Allowance
- xi. Maternity Allowance
- xii. Severe Disablement Allowance
- xiii. Widowed Parent's Allowance (or Widowed Mother's Allowance or Widows Pension you started getting before 9 April 2001)