

## **Discretionary Housing Payments Guidance**

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## Introduction

Discretionary Housing Payments (DHPs) were introduced by Central Government in July 2001 and are used by local authorities (LAs) to provide additional financial assistance with housing costs to residents who are already in receipt of either:

- Housing Benefit (HB)
- The Housing Costs element of Universal Credit (UC(HC))

Funding for the DHP scheme is provided each year by the Department for Work and Pensions (DWP). Local authorities must not exceed the specified amount and must report their spending to the DWP. As the fund is cash limited, the Benefits Service must ensure that it is administered in a fair, reasonable, and consistent manner in accordance with the principles of the scheme.

This guide outlines how DHPs are administered by the Benefits Service and gives an overview of what factors will be considered when deciding if a DHP can be made.

## What are housing costs?

For the purposes of the administration of DHP, housing costs are defined as:

- A legally enforceable liability to pay rent in accordance with HB or UC regulations
- Rent in advance to secure affordable accommodation
- Rent deposit to secure affordable accommodation
- Removal costs incurred from moving possessions from one property to another

Except for shared ownership properties (where there is a liability to pay rent), those who own their home or have a mortgage are not eligible to receive DHP.

## Who can apply for Discretionary Housing Payments?

There is no statutory entitlement to DHP. Tenants who wish to be considered for this support must submit a request to the Benefits Service. They must currently be receiving HB or UC(HE) or were receiving HB or UC(HE) for the period they are requesting help towards their housing costs.

## Who makes the Discretionary Housing Payment decision?

The decision to make a DHP award, the amount, and the period of award, is always at the discretion of the administering service. In exercising its discretion, the Benefits Service decides each request individually while also considering the guidance provided by the Department for Work and Pensions (DWP), and its duties to act lawfully, reasonably, and fairly.

The Benefits Service will formally notify applicants of the outcome of their request and provide an explanation for the decision.

## What Discretionary Housing Payments can cover

DHPs can be used to help with certain reductions in HB or UC(HC) caused by:

- The Welfare Reform Act of 2012
- Benefit Cap
- Social Sector Size Criteria
- Local Housing Allowance reforms
- Income tapers – the applicant's income is too high to qualify for maximum HB/UC(HC)

- Tariffs incomes derived from capital
- Non-dependant deductions
- The accumulation of rent arrears caused by the tenant's financial inability to pay the shortfall between the rent liability and HB/UC(HC)

The combined total of any DHP award and HB/UC(HC) will not exceed the total rent liability for the relevant period.

## What Discretionary Housing Payments cannot cover

DHP awards cannot cover the costs of:

- Ineligible services such as
  - Heating
  - Utilities
  - Hot water
  - Water Rates
  - Personal Care
  - Meals
- Increases in rent liability due to outstanding arrears
- Reductions in benefit due to sanctions
- Benefit suspensions
- Shortfalls caused by the recovery of an overpayment
- Purchase of furniture or household equipment
- Any period where there is/was no rent liability
- Any period for where HB or the UC(HC) was not paid
- Rent arrears caused by the refusal to pay, or intentional neglect of, the rent shortfall

DHPs will not be paid where it undermines the purpose of the Housing Benefit/ Universal Credit schemes, such as supporting the payments of exceptionally high rents or where there is no shortfall between the rent liability and HB/UC(HC).

## Apply for Discretionary Housing Payments

Tenants, or someone acting on their behalf (such as an appointee, friend, family member support worker, housing officer or other professional), must make an application for DHP by completing the form found here [www.redbridge.gov.uk/benefits/discretionary-housing-and-hardship-payments/](http://www.redbridge.gov.uk/benefits/discretionary-housing-and-hardship-payments/)

It is important that the form is completed as fully and accurately as possible and where relevant, any supporting documents are provided at the same time. This will help the Benefits Service to make a prompt decision and will reduce the need to contact the tenant for further information or explanation of their circumstances.

## How will the outcome of a Discretionary Housing Payment request be notified?

The Benefit Service will write to the applicant (or their appointee) to notify them of the outcome of their request.

Where the decision is to award a DHP, the notification will include how much the award is and what period it covers. The notification may also include recommendations, advice, support and signposting to assist the applicant with making improvements to their circumstances.

Where the decision is to refuse a DHP, the notification will include a full explanation.

The notification may also include recommendations, advice, support and signposting to assist the applicant with making improvements to their circumstances.

Page 8 of this document provides information about what to do if the tenant is unhappy with the decision.

## Who will the Benefits Service prioritise for Discretionary Housing Payments?

DHP funding is insufficient to meet demand and it is not possible for the Benefits Service to grant DHP to every applicant, nor always meet the full shortfall in cases where an award is made. The main objective of the scheme is to prevent homelessness by helping applicants to remain in their existing accommodation or to secure a move to alternative accommodation where the tenancy can be sustained without needing DHP.

Consideration will be given to:

- the needs of Equality Act protected groups such as disabled people and families with children.
- the importance of employment as a mechanism for moving out of poverty and using DHP to encourage and facilitate work where practical.
- the cost efficiency of granting a DHP compared to public expenditure that might be incurred in its absence.
- the limited availability of DHP funding and the need to balance the interests of any one applicant with other potential recipients.
- working with other council departments to ensure that mutual clients' accommodation needs are met.
- looking favourably at foster carers, child protection cases, children with special needs and children who are at key points in their education.
- help those who are actively seeking work to improve their circumstances
- sustain tenancies and prevent homelessness
- encourage and keep people in employment
- alleviate poverty
- help claimants through difficult life events
- support victims of domestic abuse who are trying to move to a place of safety
- support the vulnerable or the elderly in the community
- keep families together
- support young people in transition to adult life

This list is a guide and does not cover all circumstances. Each case is considered individually.

## Period and amount of Discretionary Housing Payments

The Benefits Service will decide the start date, end date, amount, and frequency of a DHP award on a case-by-case basis. They will be calculated in accordance with the frequency of the rent liability. For simplicity, the award will usually be shown as a weekly amount.

DHPs will be awarded to fully or partially cover the shortfall between the rent liability and HB/UC(HC). In most cases, any DHP will be awarded as a short-term measure to allow a tenant time to address their housing situation by:

- moving to more suitable accommodation
- increasing their income through employment

- maximising income by other means, such as claiming other benefits or asking other adult household members to contribute
- reducing outgoings
- seeking debt advice
- bringing financial situations under control

When deciding a DHP application, the Benefits Service considers each case individually. They will examine factors including, but not limited to:

- the affordability of the rent at the start of the tenancy
- whether the rent is exceptionally high
- the shortfall between the rent liability and HB/UC(HC) and the likelihood that the tenant would be able to meet this once discretionary support ends
- whether a short-term award is likely to secure the tenancy in the long term
- the household's income and expenditure, and whether these could reasonably be adjusted
- whether any other adults in the household could be expected to pay more than the standard contribution
- whether there are any circumstances that prevent the applicant from seeking alternative accommodation
- whether the tenant could reasonably be expected to contribute towards the shortfall
- whether a DHP for the full shortfall is required
- whether negotiations with the landlord to accept at lower rent have been considered
- whether the shortfall is of a sufficiently low amount that it will not be in the landlord's interests to seek possession
- whether a DHP has previously been awarded and, if so, what steps the tenant has taken to improve their circumstances

The Benefits Service will consider the household's finances, the personal needs of all household members, the amount of the shortfall, any special housing requirements together with any other relevant information.

The Benefits Service may refuse a DHP where it considers that the shortfall is unreasonably high, and that awarding a smaller amount is unlikely to materially improve a tenant's situation.

In exceptional circumstances, such as living in specially adapted accommodation, where a tenant cannot reasonably be expected to move elsewhere, longer term DHP awards can be considered; such awards will be subject to regular review to ensure that the amount of DHP continues to be appropriate.

### Can Discretionary Housing Payments be used to help with rent arrears?

A tenant can request a DHP to help pay off rent arrears. HB or UC(HC) must be/have been in payment for the period of the rent arrears. A lump sum DHP can be considered but the arrears must refer to a period when HB or UC(HC) was in payment.

The Benefits Service will require evidence of rent arrears, such as a rent statement, before any request can be considered. Where it is decided that an award can be made, payment will be made to the landlord/agent for the property to sustain the tenancy and prevent homelessness.

Sometimes, a conditional, partial award will be made; an example of this would be where the arrears are large, but it is considered that the tenant could make contributions towards them or take steps to improve their financial circumstances. A smaller lump-sum DHP may be made with

the undertaking that a further award will be made provided the tenant takes certain actions within a given period.

In cases where the tenant received HB or UC(HC) to help with their housing costs but did not pass these payments on to their landlord, so accrued rent arrears and put their tenancy at risk, a DHP will not be considered.

## Can Discretionary Housing Payments help with rent deposits and/or rent in advance?

A DHP award can be considered towards a rent deposit and/or rent in advance for a property that a tenant intends to move to provided certain conditions are met, including:

- the tenant has ongoing entitlement to HB or UC(HC)
- there is a valid reason for the move
- the tenant can evidence why they need additional financial support
- where a rent deposit was paid to secure the current tenancy, whether it will be refunded for use against the new property
- the outcome of any application for assistance through the council's rent deposit guarantee scheme or any other such scheme
- no financial incentive payment to move or downsize is available from the current landlord (such as social landlord downsizing/ exchange scheme)
- the tenant has secured, in principle, a specific property
- a written assurance that the landlord intends to let the property to the tenant is provided
- the landlord is 'fit and proper' and, where required, has a valid property licence
- the rent deposit will be held in a Government-recognised rent deposit scheme
- the rent is affordable for the tenant, and they will not require further DHP payments to sustain the tenancy

Where a DHP award is agreed, payment will be released once the tenant signs the tenancy agreement and moves into the property. Unless evidenced to the contrary, it will be paid directly to the landlord

The Benefits Service recognises that the process for releasing these funds may not align with the requirements of some landlords. However, it has a duty to protect public funds from abuse and fraud and must ensure that they are used in the manner for which they were awarded. As such, it will provide landlords with formal confirmation that a DHP award 'in principle' has been agreed and that payment will be released once the tenant moves in.

## Can Discretionary Housing Payments help with removal costs?

Where a tenant is moving to affordable and suitable accommodation, they may apply for a DHP to assist with the cost of moving their belongings to the new property. Requests will be considered provided the following requirements are met:

- the tenant is receiving HB or UC(HC)
- evidence of a liability for rent at the new property is provided
- there is a valid reason for the move
- the tenant can evidence why they need additional financial support
- the rent is affordable and better meets the needs of the household (such as a specifically adapted property)
- no financial incentive payment to move or downsize is available from the current landlord (such as social landlord downsizing/ exchange scheme)

- at least two quotes from a reputable removal company are provided
- where costs have already been met and reimbursement of funds is requested, evidence will be required.

## How will Discretionary Housing Payments be paid?

Lump sum DHPs for a deposit, rent in advance or rent arrears will be paid direct to the landlord by BACS transfer to their account, unless evidence is provided that confirms payment should be issued to an alternative person/organisation.

Periodic DHPs awarded to a HB recipient will be paid within their HB payment, with the same frequency and payee.

Periodic DHPs awarded to a UC(HC) recipient will usually align with the DWP's decision regarding payment of housing costs:

- where UC(HC) is paid to the tenant, the DHP will also be paid to them. Payments will be made every two weeks directly to their chosen bank account
- where UC(HC) is paid to the landlord, the DHP will also be paid to the landlord. Payments will be made every four weeks directly to their bank account

## Can Discretionary Housing Payments be backdated?

Backdating can only be considered for a period where the tenant had a liability to pay rent and was receiving HB/UC(HE) for that period. Each request will be decided individually, and the tenant will be asked to provide evidence of their income, household, and circumstances relevant to the backdating period, as well as a satisfactory explanation as to why they did not make the request for a DHP at that time.

## After a Discretionary Housing Payment has been awarded

All DHPs will be either a lump sum payment or a periodic award for a finite period based on the information provided at the time of the request.

### Change of circumstances

The tenant must immediately notify the Benefits Service of any change in circumstances that may be relevant to their DHP request or award. Where there is any doubt as to the relevance of the change, the tenant should report it anyway.

### Ending an award early

The Benefits Service may end a DHP before the end date previously notified if:

- they decide that a DHP is being, and/or has been, made because the tenant has misrepresented or failed, fraudulently or otherwise, to disclose a material fact
- the tenant has been paid because of an error
- the tenant no longer needs additional financial assistance towards housing costs

### Recovering overpaid Discretionary Housing Payments

The Benefit Service may recover overpaid DHP in the following circumstances:

- a misrepresentation or failure to disclose a material fact by the tenant (either fraudulently or otherwise)
- an error was made when the request was determined

## Unhappy with a Discretionary Housing Payment decision?

The Benefits Service will notify all individuals of the outcome of their DHP request. Because DHPs are not a statutory entitlement, there is no right of appeal to a First Tier Tribunal if the outcome is not as hoped for. However, the Service will consider a request for an internal review of the decision. Tenants can do this by writing to the Service, within one calendar month of the date of the decision, stating the reasons why they disagree and including any new information that may not have previously been considered.

This request will be considered by a senior benefits officer not involved in the original decision, who may decide to uphold or revise the original decision. The tenant will be advised of the outcome.

If the tenant remains unhappy with the outcome, they may apply for a [Judicial review](#).

## How the information provided is used & shared

The UK General Data Protection Regulations (UKGDPR) and Data Protection Act (2018) allow the Benefit Service to share information for a wide variety of reasons; these are known as our 'legal bases to process data'. We share data across the council to help safeguard people and to provide better services for our residents.

Information collected during the Discretionary Housing Payment process will be used to decide the request. It will be cross matched with other data held by the council and third-party agencies such as DWP and HMRC for verification purposes.

In deciding a request, it may be appropriate to make referrals within the council or to external agencies to provide the tenant with further advice or support.

The council may also share data with both internal and external organisations for the purposes of validating any request or support a tenant may have made for other council services.

Subject to a legal gateway, a tenant's information may also be shared for the prevention of fraud and criminal activity with agencies such as:

- The police
- Immigration Service, Absconder Services and/or UK Border Agency
- Health and social care organisations

This list is not exhaustive

## Protecting public funds

Redbridge Council is committed to the fight against fraud in all its forms. Any person(s) who tries to fraudulently claim a DHP by falsely declaring their circumstances, providing a false statement or evidence in support of their application, will have committed an offence under the Theft Act 1968.

Where the council suspects that this has occurred, all cases will be investigated and subject to the actions available within the council's Anti-Fraud policy. This may lead to the commencement of criminal proceedings against suspected fraudsters.