

Landlords Forum 26 January 2011

Discussion group handout notes – Discretionary Housing Payments (DHP)

### What are DHPs?

DHPs are not Housing Benefit. They are a separate fund awarded to every Local Authority (LA) annually by the Department for Work and Pensions (DWP). The LA cannot exceed its given amount, and any of the fund that is not awarded by the end of the year is returned to the DWP. They are for help with housing costs and to receive an award of DHP the tenant must be in receipt of Housing Benefit (HB).

### DHPs are discretionary

#### What DHPs cannot be used for

- Ineligible service charges
- Rent increases which have been applied to cover rent arrears
- HB overpayment deductions
- Shortfalls in welfare benefits, caused by sanctions or reductions.

#### What DHPs can be used for

DHPs can be used for in a variety of cases and some general headings are:

- Encouraging and sustaining people in employment (*this could include someone who has been in receipt of benefits for a long time and has just started employment, to help with the transition into work. This could be for a couple of months until they have settled and are successfully managing their finances*).
- Tenancy sustainment and homeless prevention.
- Keeping families together
- Supporting the vulnerable in the community
- Helping tenants through personal and difficult life events
- Supporting young people in the transition to adult life.

## **HB changes in April 2011: How can DHPs assist?**

*The Government is increasing the DHP fund for Local Authorities. There will be an extra £10 million in 2011/12 years which will raise the fund nationally to £30 million. This will be increased to £60 million in years 2012/13. However with all the new changes the number of DHP claims is set to rise dramatically.*

- Whist tenants will be protected from the reduction in their HB due to the 30<sup>th</sup> percentile until their anniversary date plus 9 months transitional protection (unless h/hold changes reduce their size allowance for LHA purposes), eventually their HB award will reduce. A DHP could be claimed to allow the tenant to stay in the property to fulfil their contractual obligation.
- Non dependant deduction will be increasing over the next 3 years. DHPs could be claimed if the tenant was having difficulties making up the shortfall.
- Large families will be particularly affected by the caps on LHA rates to 4 bedrooms and £400pw. DHPs could be claimed to make up the shortfall to allow the family to stay in their home and avoid rent arrears until suitable cheaper accommodation can be found.

The list is not exhaustive and when claiming a DHP it is more likely to be successful if as much information and evidence as possible is provided to support the claim.

## **How to apply for a DHP**

- A Landlord cannot make a claim for a DHP on behalf of a tenant. The regulations state it must be from the claimant or their legal appointee. Haringey have a dedicated DHP claim form which is available through Customer Service outlets. Alternatively the tenant can make a written statement requesting a DHP. DHPs can also be paid for assistance with Council Tax as long as the tenant is in receipt of Council Tax Benefit.
- DHPs can be backdated (as long as HB was in payment for the requested backdated period) but again this is discretionary. The more evidence and information supplied with the claim the more likely this is to be successful.
- There are no formal appeal rights against a DHP refusal, however the claimant can ask for the decision to be reviewed. Haringey have a dedicated review panel that sit every 4 to 6 weeks that includes a HB Manager. The decision of the panel is final.

**Here are a few of the guidelines that the DWP suggest LAs follow when contemplating DHP claims.**

1. If the claimant has debts which are limiting their ability to pay any rental shortfall have they sought professional advice? Are there other welfare benefits available to them which they have not claimed? Do they have a large Social Fund deduction out of their IS/JSA etc which they can request to be reduced.
2. Did the claimant move into the property knowing they could not afford it? Can they let out a room? Will the landlord reduce the rent?
3. Does the household have health/support needs requiring them to remain in the property? Do they need an extra bedroom for a disabled child, do they need to have access to a local hospital. Do they have health related expenses?
4. Has the claimant had to flee their home due to DV and didn't have time to look for cheaper accommodation?

*Please note that all of the above could be obsolete in a few weeks as the DWP are due to issue revised guidance. This information will be updated with any changes.*