

Discretionary Housing Payment (DHP) Policy 2023 onwards

1.0 Introduction

- 1.01 DHP is a ring fenced budget. It provides further financial assistance for residents entitled to Housing Benefit or Universal Credit and require further financial assistance to meet their rent liability. DHP is administered through the Council.
- 1.02 This Policy sets out the priority categories for assistance and the process by which decisions are made in respect of the award of DHP.
- 1.03 The Policy is in line with the Department for Work and Pensions (DWP) DHP Guidance (updated in February 2021).
- 1.04 This Policy has a go-live date of February 2023

2.0 Policy Objectives

- 2.01 The objective of the DHP Policy [the Policy] is to support residents' resilience by resolving an immediate crisis. This includes circumstances whereby the resident may no longer be able to afford their rent liability, and are potentially at risk of becoming homeless. This may be caused by events outside the control of the resident, such as Welfare Reform, loss of employment or an increase in rent.
- 2.02 DHP will either be paid for a fixed period of time (see 5.0 Duration of Award), or by providing a lump sum.
- 2.02 Awards will be made to enable residents to sustain their tenancies and prevent homelessness. Further actions may be attributed to the award, to ensure the tenancy can be sustained for the longer term (eg '*reasonable steps*' to secure employment).
- 2.03 Where a one-off lump sum is agreed, this will be on the basis any arrears have not been accrued through the fault of the resident; any immediate risk of homelessness is removed; and the tenancy would be sustained thereafter.
- 2.04 Where an award would not result in the tenancy being sustainable, assistance would be provided through the Homelessness Prevention & Advice Service (HPAS) to secure alternative suitable accommodation which can be sustained. Suitable accommodation may include a private rented tenancy, or a hostel, or accommodation outside the Borough.
- 2.05 In setting the Policy, the following background factors have been taken into account:

2.05.1 Prioritising support to residents where there is *reason to believe* they may be owed a main housing duty, if homeless, as set out in Part VII Housing Act 1996, (although not exclusively).

2.05.2 Those tenants who are impacted by the benefit cap, set by Central Government. Households who are over the age of 16 who have not reached State Pension age.

2.06 The benefit cap impact would be assessed on a case-by-case basis. It is more likely to affect;

- larger families (eg those with a 3-bed need of higher), whose total entitlement (including assistance through Housing Benefit or the Housing element of Universal Credit) is capped at £23,000pa^[1].
- Shared Accommodation Rate (SAR) restrictions applied to effected single person households under the age of 35.
- Local Housing Allowance (LHA) levels set for the Outer East London Broad Rental Market Area (BRMA)^[2] by the Valuation Office Agency ([Local Housing Allowance Rates for the Newham Local Authority : DirectGov - LHA Rates \(voa.gov.uk\)](https://www.gov.uk/government/collections/local-housing-allowance-rates-for-the-newham-local-authority))
- Tenants affected by the Removal of the Spare Room Subsidy (Bedroom Tax) who are in receipt of Disability Living Allowance, who are under-occupying by a single room.

3.0 Priority Categories for Assistance

3.01 Priority categories and the priority order for assistance are as set out in Appendix 1.

4.0 Awards

4.01 The Council's priority in making most awards will be to give residents support in the short term in order for them to take decisions that will make their housing situation financially sustainable, given their individual circumstances and the effect of welfare reform.

4.02 In addition, in some cases, where we want to support vulnerable residents to remain in their homes without causing undue stress, a longer period of award may be appropriate. Appendix 1 provides a guide as to the standard period of award that will usually be made for different priority groups. Decisions will be assessed on a case by case basis.

4.03 In deciding the amount of an award, the Council may ask applicants to make a minimum contribution towards their housing costs, subject to their household income and ability to make such a contribution. This will be assessed on a case by case basis.

4.04 As a guideline, it is unlikely that a long term award will be made above £150.00 per week as larger awards are likely to be considered unsustainable. In these circumstances, an alternative solution would need to be considered.

4.05 Exceptions to the £150.00 per week guideline can be made by case officer request to the Head of Homelessness Prevention & Advice or Assistant Director Housing Options & Supply. These exceptions are most likely to occur with larger family households, where the benefit cap will minimise alternative options, and where the cost of providing

^[1] As of 1/4/22

^[2] The area Newham falls within

temporary accommodation (if homeless and likely to have a 'main housing duty' accepted) would be higher.

- 4.06 DHP may therefore be paid as a one off lump sum for the purposes of helping an applicant to establish their household in alternative affordable accommodation either in or out of the Borough, for paying for rent in advance, or a deposit in order to secure a rental property.
- 4.07 The amount of DHP to be paid in a one off lump sum for the purposes above at 4.06 should be no higher than the monthly LHA eligible payment (based on household size and location), apart from in very exceptional circumstances, where a higher amount may be awarded. Exceptions will need to be agreed by the Head of Homelessness Prevention & Advice or AD Housing Options & Supply.
- 4.08 DHP may include housing related costs, particularly where this will prevent homelessness and support a sustainable tenancy.
- 4.09 The Council may consider paying the DHP award to someone other than the applicant if it considers that it is reasonable to do so. This may be to an agent, an appointee or a landlord. The applicant should make clear who this person is and why the payment should be made to them. The Council will consider on a case by case basis whether or not to pay the award to someone other than the applicant at its discretion.
- 4.10 A DHP Award is not payable for certain excluded elements under the Regulations. This includes, ineligible service charges, increases in rent due to outstanding rent arrears and certain sanctions and reductions in benefits.
- 4.11 The Council may consider backdating the DHP Award where it is necessary to achieve the aims outlined in this Policy, and where the period of backdating would be eligible for DHP under the terms of this policy including the standard award periods in Appendix 1.

5.0 Duration of Award

- 5.01 The purpose of the award will be to give the applicant time to resolve their immediate financial difficulties, therefore:
- a) Awards will mostly be time limited for a period of three months with no expectation of automatic renewal.
 - b) During this initial payment period, the resident will be expected to engage in actions to ensure the tenancy is sustainable for the longer-term. Such actions may include activity to seek employment, or claim appropriate additional benefit support, in order to become exempt from the benefit cap. These actions will be set out as *reasonable steps* within a Personalised Housing Plan, agreed between the resident and the Council.
 - c) *Reasonable steps* within the Personalised Housing Plan may also include actions to secure alternative private rented accommodation, whereby the tenancy may be more sustainable in the longer term. Assistance in achieving this will be provided through

HPAS, and where affordability is the underlying issue, may involve finding accommodation outside the Borough.

- d) Where *reasonable steps* are not engaged with, a DHP Award may not be extended.
- e) The standard award period for tenants affected by the Removal of the Spare Room Subsidy (Bedroom Tax) who are in receipt of Disability Living Allowance will be 12 months. Thereafter, this will be assessed on a case by case basis.

5.02 Applicants will be notified on receipt of the DHP decision letter of the length of time over which they will receive the DHP payment and the re-application process.

6.0 Applications

6.01 Applications can be made by individuals or other parties on their behalf on the Council's website at:

[Homelessness Self Assessment - Newham Online Forms \(achieveservice.com\)](https://www.achieveservice.com)

7.0 Dispute

7.01 If an individual wishes to apply for re-consideration of the DHP decision or dispute the basis of the decision, they must do so setting out their reasons for disputing the decision within 14 days of the date of the decision. They should do so in writing to:

Discretionary Housing Payments (Appeals)
Homeless Prevention & Advice Service
Private Sector Solutions Team
Direct House, Bridge Road Depot
Abbey Road
London
E15 3LX

Or by email to: HPAS.DHP@newham.gov.uk

7.02 In the event that an individual does make representations, the application for reconsideration will be looked at by someone who was not involved in the original decision.

7.03 They will be notified of the outcome of any application for re-consideration in writing with reasons as soon as is reasonably practical.

7.04 There is no formal right of appeal to the Social Security Tribunal against DHP decisions made by the Council. The route of judicial review is available to applicants who are unhappy with the revised decision. In the event that there is an allegation of maladministration, any complaint should be made to the Local Government Ombudsman

8.0 Change of Circumstances

8.01 The applicant must notify the Council if there is a change in their circumstance as this may affect their entitlement. This may include, but is not limited to:

- Changes to the benefits you or anyone in your household receives
- Moving into work
- A change in income for another reason
- A change of address
- A change in the rent you pay
- A change in the people who are living with you
- Any other changes regarding which you are normally required to notify the Council in relation to your Housing Benefit claim.

8.02 Failure to notify the Council of a change in circumstance, which results in the resident continuing to benefit from a DHP Award when they may no longer be entitled, may result in legal action being taken

8.03 Applicants are required to notify the Council of any changes to their personal circumstances as soon as is reasonably practical. They should do so in writing to:

Discretionary Housing Payments (Change of Circumstances)

Homeless Prevention & Advice Service

Private Sector Solutions Team

Direct House, Bridge Road Depot

Abbey Road

London

E15 3LX

Or by email to: HPAS.DHP@newham.gov.uk

9.0 Stopping payment of DHP

9.01 The Council may stop paying DHP payments to an individual where:

- a. The fixed period of the Award has expired; and/or
- b. There had been a failure to report a change of circumstances; and/or
- c. The Council determines that the DHP payment is being made or has previously been made because the applicant has misrepresented or failed to disclose a material fact, fraudulently or otherwise; and/or
- d. The individual has been paid in error.

9.02 In the event that one of the examples at 9.01 occurs, the Council may seek to recover the overpaid money from the applicant. The Council will notify you of where this occurs and may allow you time to repay the money. This will be considered on a case by case basis.

10.0 Repeat awards of DHP

- 10.01 Repeat awards of DHP may take into account the actions that the resident has taken to resolve their long-term dependence upon DHP, such as actively seeking employment or seeking to move to more affordable accommodation. Not engaging in actions intended to resolve the long-term dependence on DHP will result in repeat awards not being issued (unless there are exceptional circumstances).
- 10.02 Where a significant barrier to moving or gaining employment is identified, such as a serious health issue, an additional award may re-considered.