

HOW DO I HELP TENANTS TO APPLY FOR DISCRETIONARY HOUSING PAYMENTS (DHPs)

DHPs are designed to provide some help with housing costs for tenants in financial hardship. Since the implementation of the social sector size criteria and the overall benefit cap, they have become an increasingly important tool to help tenants to pay their rent and sustain their tenancies.

This 'how do I' briefing provides an update on emerging issues relating to DHPs and some practical tips for CIH members who are working with tenants who need to make a claim.

For a more detailed overview of DHPs and how they can help people in financial difficulty, see our January 2013 publication [How to...make the most of discretionary housing payments](#).

SO, EXACTLY HOW MUCH FUNDING IS AVAILABLE FOR DHPs?

For the financial year 2014-15 there is a total of £165m available to local authorities to make DHPs. The DWP have recently announced [how this money will be shared among individual authorities](#).

Local authorities are allowed to spend up to 2.5 times their DHP allocation by topping it up from their own general fund. In addition, some councils have been granted statutory instruments permitting them to use housing revenue account funds for DHPs for council tenants (see 'ideas into practice' box below).

SOME EMERGING ISSUES

- As the scheme is discretionary and locally determined, the **criteria and processes may differ significantly between local authority areas**. This poses some issues for social landlords operating in more than one local authority area as tenants in similar circumstances may be treated very differently because of where they happen to live. Some authorities also request supporting information from the landlord which is an added administrative burden
- The **duration of DHP awards varies widely**. Some local authorities are prepared to make longer term awards of DHP where circumstances are unlikely to change or where the tenant and landlord can evidence that they are actively working to resolve the situation. Others are only prepared to make awards for one month at a time – not only is this an administrative burden for all concerned but it also places more vulnerable tenants under added pressure
- Local authorities who have taken a tough approach in order to ration the DHP budget are **finding that they have an under-spend**. Although they may now be relaxing their criteria to achieve spend, applicants who previously applied and were refused have potentially experienced hardship and may even have lost their homes
- While ministers expressed a view that tenants with disabilities under-occupying specially adapted homes would be considered for indefinite awards of DHP, **in some areas disabled people are being refused DHPs** because their disability benefits are considered to be 'excess' or available income with which to pay their rent
- Anecdotally, some councils are **taking account of tenants' expenditure on 'non-essential' items**, for example, spending on cigarettes and alcohol, when determining whether or not to make an award of DHP
- Local authorities have not been given any additional resources for processing DHP applications. With many HB teams seeing a significant rise in applications, some tenants may face delays while they wait to find out if their

claims will be approved. This is also an issue for landlords in terms of understanding the true picture on rent arrears and in decision making on commencing possession proceedings

- A [recent welfare reform survey](#) undertaken by the National Federation of ALMOs, the Association of Retained Council Housing and the Councils with ALMOs Group highlighted that **only 8 per cent of tenants affected by the size criteria were in receipt of DHPs**. This may be due to a combination of tough decision-making by HB teams but also a low level of applications made by the tenants affected.

WHAT CAN YOU DO?

- Make sure that your tenants are aware of DHPs – talk to tenants about them and promote them in all your printed information about rent payment and on your website
- Make sure that discussing DHPs with tenants is included in your rent arrears recovery process
- Although the pot for DHPs is a cash-limited, don't help local authorities to ration that funding by discouraging tenants from claiming – remember that any unspent funds go back to the Treasury
- Support tenants to make a claim. Bear in mind that some local authorities are requesting supporting information from landlords setting out what they have done to help their tenants to move to smaller, more affordable homes, so it may be helpful to design a standard template to help you to do this
- The scheme is discretionary so be prepared to support tenants to challenge a refusal of a DHP award – there may be additional information that you or your tenant can provide which will make a difference
- DHP awards may not cover all of the rent due, so you will need to talk to tenants about how they will pay any difference
- Keep comprehensive records on the advice and support on DHPs you have given to tenants – this will be important evidence for your witness statement should you need to bring possession action for non-payment of rent.

IDEAS INTO PRACTICE

- **Solihull Community Housing (SCH)** has been allocated a pro rata share of **Solihull Metropolitan Borough Council's** DHP budget to administer against agreed criteria. SCH processes and assesses claims quickly so that customers soon have a clear idea of whether or not they have the means to pay their rent
- Both **Swindon Council** and **London Borough of Southwark** have been given statutory instruments to use HRA funding to top up the DHP pot
- **Radian Housing** has a hardship fund which sits alongside DHPs. The fund is designed to help residents who are in severe financial hardship. A welfare officer checks that the applicant is a tenant or leaseholder, has not had an award already that year and there their need cannot be met by reducing their outgoings. An award may be made if these conditions are met, and it is judged that temporary relief from payment of rent or arrears will help the resident address financial problems and resume payments in the future.



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RESOURCES TO HELP YOU

This is the latest in a series of 'how do I' briefings designed to help CIH members to support tenants affected by welfare reform. You may also want to look at:

- [How do I tell tenants about welfare reform?](#)
- [How do I make sure tenants pay their rent?](#)
- [How do I help tenants to move to another home?](#)
- [How do I help tenants into work?](#)

For further information about all of the resources that CIH can offer you on welfare reform and related topics, please visit www.cih.org/welfarereform

