

Housing Benefit Urgent Bulletin

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Who should read	All Housing Benefit (HB) staff
Action	For information

Discretionary Housing Payments: Royal Borough of Kensington and Chelsea Grenfell Tower Fire

1. Discretionary Housing Payments (DHPs) can be paid to those in receipt of Housing Benefit (HB) or the housing element of Universal Credit who face a shortfall in meeting their housing costs. These payments are very flexible and can be considered where, in the local authority's (LA's) opinion, further financial assistance towards housing costs is required.
2. Following the Grenfell Tower fire on 13 June 2017, in the Royal Borough of Kensington and Chelsea area, applications may be received from former residents for assistance towards rent in advance, deposits and other lump sums associated with a housing need such as removal costs or, indeed, the cost of temporary accommodation.
3. Former residents are unlikely to have any identification documentation as a result of the tragedy to make a formal application. These residents should be regarded as a priority when considering applications for a DHP.
4. 'Housing costs' are not defined in the regulations and therefore this allows for a broad discretion for interpretation when allocating DHPs. LAs are encouraged to be flexible when determining applications from former residents.

5. Since a lump sum payment for either a deposit or rent in advance is not made in respect of a period, you only need to be satisfied that the claimant is entitled to HB or Universal Credit when the award is made.
6. There is no limit to the length of time over which a DHP award may be made. It may be awarded for a short period to give a claimant time to deal with their financial circumstances or for an indefinite period until their circumstances change. The start and end dates of an award are decided by LAs on a case by case basis.
7. There is no need to specify the period of the award if the DHP is to meet a one off housing costs, such as a deposit or rent in advance.
8. If the deposit or rent in advance payment is for a property outside of the Royal Borough of Kensington and Chelsea this will not prevent a payment being made provided the claimant is in receipt of HB/Universal Credit.
9. Once a DHP has been made for either of these items, regulations do not allow the DHP to be recovered at the end of the tenancy. Further information on Rent Deposits and Rent in Advance can be found paragraph 2.3 to 2.15 of the [DHP Guidance Manual](#)
10. It should also be noted that former residents who are moved may become subject to welfare reforms, for example, the application of the removal of the spare room subsidy (RSRS). Although the RSRS does not apply to people in temporary accommodation, it may do so in permanent accommodation and we would advise that in these circumstances any requests for a DHP to meet rent shortfalls should be treated as a priority. Similarly for other welfare reform measures such as the benefit cap, see paragraph 14.
11. If a DHP is awarded to former Grenfell Tower residents, please ensure that you record these, in other words:
 - the number of former Grenfell Tower residents who have applied for a DHP
 - whether they have received a payment
12. Details of any payments made should be emailed to hpd.consultations@dwp.gsi.gov.uk

Support for claimants affected by the benefit cap

13. Since April 2013 the total amount of welfare benefits paid to working age households has been subject to a benefit cap which was revised on 7 November 2016. From that date, the benefit cap in Greater London is £23,000 for couples and lone parents and £15,410 for single childless

households. There are a number of exemptions for those considered to be vulnerable, including households receiving disability benefits, for example:

- Personal Independence Payment
- Disability Living Allowance
- the support component of Employment and Support Allowance
- Carer's Allowance
- Guardian's Allowance
- households that work
 - in-work exemptions apply for those getting working tax credits (working from 16 hours a week) or
 - Universal Credit claimants earning £520 a month, both provide exemption

14. The benefit cap will continue to apply provided former residents qualify for welfare benefits that exceed the cap level (though some compensatory payments will not be included in the benefit cap calculation).

15. However it should be stressed that DHPs are available to support all those individuals who are affected by the cap generally; and to those on a move to both temporary and alternative accommodation within the Royal Borough of Kensington and Chelsea and outside the LA area.

16. You can find LA good practice in the [DHP Guidance Manual](#) from page 26 onwards.

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