



Coventry City Council

**Coventry City Council
Discretionary Housing Payments Policy**

Updated April 2023

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1. Background

The Discretionary Housing Payment (DHP) scheme was introduced on 2 July 2001 and allows councils the discretion to help people on a low income with their housing costs where Housing Benefit (HB) or Housing Costs (HC) in Universal Credit (UC) alone does not meet all their needs. The Discretionary Financial Assistance Regulations 2001 (S1 001 / 1167) set out the rules for administering DHPs.

Whilst the legislation provides significant discretion to Council decision-makers, Councils have a duty to act fairly, reasonably, and consistently.

The Department for Work and Pensions (DWP) guidance to councils administering DHPs suggests that DHPs can be considered to support people most significantly impacted by changes to housing benefit, including:

- the introduction of the benefit cap;
- the introduction of size criteria in the social rented sector; and
- reductions in local housing allowance rates

Funding

DHPs are centrally funded by the DWP and each Council receives an annual DHP grant. The Council can spend up to two and a half times the Government allocation, but the Council is responsible for the cost of any DHP awards above the Government contribution. If the Council does not spend all of the Government grant, then the Council must pay this money back.

Since the scheme was introduced the DWP significantly increased year on year national DHP funding to help councils manage the impact of changes to HB. This funding has however been significantly **reduced** since 2020/2021

Coventry's DHP grant allocation since 2010/11 is shown below.

2010/11	£105,666
2011/12	£178,636
2012/13	£329,000
2013/14	£798,643
2014/15	£811,865
2015/16	£619,313
2016/17	£788,669
2017/18	£1,236,832
2018/19	£1,006,037
2019/20	£1,154,066
2020/21	£1,433,773
2021/22	£1,032,130
2022/23	£716,677
2023/24	£731,530

2. Policy Outcomes

The Benefits Service is committed to working with the local voluntary sector, social landlords and other stakeholders in the city to maximise entitlement to all available benefits and to give budgeting and income maximisation advice, and this is reflected in the administration of the DHP scheme.

The DHP policy is intended to contribute towards the following outcomes:

- tenancy sustainment and homelessness prevention
- alleviate poverty
- support vulnerable young people in the transition to adult life
- support people into employment and sustain people in employment
- keep families together
- support vulnerable residents in the local community
- support people through difficult life events.

Key features

DHPs may be used for:

- rent shortfall to prevent a household becoming homeless whilst the housing authority explores alternative options
- reductions in HB or UC as a result of local housing allowance restrictions
- reductions in HB or UC or where the benefit cap has been applied
- reductions in HB or UC for under-occupation in the social rented sector
- rent arrears
- non-dependant deductions
- income tapers
- rent deposit or rent in advance for a property that the customer is yet to move into if they are already entitled to HB or UC Housing Costs at their present home.
- removals or storage costs where moving home is essential – eg moving out of temporary or unsuitable accommodation

DHP decisions will be made in accordance with the principles of good decision making and decision makers will act fairly, reasonably and consistently. The level of award may cover all or part of a shortfall or assist with the cost of starting or retaining a tenancy.

The main features of the DHP scheme are outlined below.

- the DHP scheme is discretionary and a customer does not have a statutory right to receive an award
- the amount that can be paid out by a council in any financial year is restricted by the Government
- DHP is not a payment of HB or UC. However, DHP can only be awarded where a person is in receipt of HB or UC Housing Costs in the same week that a DHP is awarded for.

Housing costs may include:

- rental liability
- rent in advance
- deposits
- other lump sum costs associated with a housing need such as removal costs.

DHPs cannot be used to reduce council tax liability. If you need help with your council tax, please apply to the council for Council Tax Support

3. Administration

Claiming a DHP

- The Council will accept a DHP claim electronically
- On request or in appropriate circumstances, the Council will assist the claimant with completion of an electronic or telephone application form
- Additional information may be required to support a DHP claim including evidence of rent arrears, bank statements and household income
- On receipt of an application for DHP the Council may contact the customer by telephone to discuss the claim further
- It is in the customer's interest to provide as much information as possible to support their claim. Where a customer cannot or does not provide additional information to support their claim, the Council will make a decision based on the information it has available.

DHP award

In deciding whether to award a DHP, the Council will take into account:

- a shortfall between HB or UC Housing Costs and rental liability
- any steps taken by the customer to reduce his or her rental liability
- the financial and medical circumstances (including ill health and disabilities) of the customer or their household
- the income and outgoings of the customer and their household
- any savings or capital that might be held by the customer or their household
- the level of indebtedness of the customer and his or her family
- any exceptional circumstances
- the potential consequences of not making an award including the potential for the customer to become homeless and the possible impact on other agencies and Council services
- any other relevant information brought to the attention of the Council.

Period of award

- The length of a DHP award is discretionary and the Council will consider the individual circumstances of each case
- DHP awards will not normally span financial years, although you can re-apply if your circumstances are such that you still need financial support
- The Council will consider any reasonable request for backdating an award of a DHP
- The customer will be notified of the period of the award
- The minimum period for an award for a DHP is one week.

Changes of Circumstances

Many changes of circumstances which affect a customer's HB or UC Housing Costs entitlement may also affect their DHP award. The Council will use such information to review the level of the DHP award.

Customers should tell the Council of any changes to their circumstances which may affect their DHP award, including changes that may have no impact on their HB or UC Housing Costs award.

Payment

The Council will decide the most appropriate person to pay based upon the circumstances of each case. This could include paying:

- the customer
- a partner
- an appointee
- a landlord (or an agent of the landlord)
- a third party

DHP awards will be paid by the most appropriate means available in each case. This may include payment:

- by electronic transfer (e.g. BACS)
- by crediting the customer's rent account

Notification

The Council will notify the customer of the outcome of his or her application. Where the application is unsuccessful, the Council will set out the reasons why this decision was made and explain the right of review. Where the application is successful, the Benefits Service will advise:

- the weekly amount of DHP awarded
- the period of the award
- the method of payment
- the requirement to report a change in circumstances

The right to a review

DHP's are not payments of HB / UC Housing Costs and are not subject to the statutory appeals mechanism. The Council acknowledges that customers may be dissatisfied with a DHP decision in certain circumstances including:

- refusal to award a DHP
- decision to award a reduced amount of DHP
- decision not to backdate a DHP

Where a customer is dissatisfied with a DHP decision they may request that the decision be reviewed.

- Where a customer disagrees with a DHP decision they should contact the Council within a calendar month of the decision and request that the decision be reviewed.
- The original decision will be reviewed by another officer
- The customer will be informed of the outcome of the review

Where, after review, the customer remains dissatisfied they may contact the Local Government Ombudsman.

Overpayments

The Benefits Service may recover overpaid DHP awards as appropriate.

Fraud

The Council is committed to the prevention and detection of fraud and the protection of public funds. Cases of suspected fraud will be investigated by counter fraud officers and this may result in criminal proceedings being instigated.