



Coventry City Council

**Coventry City Council
Discretionary Housing Payments Policy**

Updated April 2024

Introduction

The Discretionary Housing Payment (DHP) scheme is set using Discretionary Financial Assistance (DFA) regulations (S.I.2001/1167) as amended by the Council Tax Benefit Abolition (Consequential Provisions) Regulations 2013 (S.I. 2013/458), which came into force on 1 April 2013; and the Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013 (S.I. 2013/630), which came into force on 29 April 2013. Whilst the legislation provides significant discretion to Council decision-makers, Councils have a duty to act fairly, reasonably, and consistently.

A Discretionary Housing Payment (DHP) may be awarded when it is considered that a claimant requires further financial assistance towards housing costs and is in receipt of either Housing Benefit (HB) or Universal Credit (UC) with housing costs towards rental liability.

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 the Governments Welfare Reforms, including:

- the Benefit Cap;
- the introduction of size criteria in the social rented sector; and
- changes made to Local Housing Allowance rates

Funding

The government allocates each Council funding for DHP payments on an annual basis. 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
2024/25	£731,530

Background

DHPs are not payments of benefit. They are payments made at the Council's discretion. They are made in addition to Housing Benefit or Housing Costs within Universal Credit, and do not form part of it. The legislation gives Local Authorities broad discretion in awarding DHP's but ordinary principles of decision making must be followed to ensure that we are acting fairly, reasonably and consistently.

Payments of DHP will be made to alleviate the position of people experiencing financial hardship.

The main features of the DHP scheme are:

- 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.
- To be eligible to be considered for a DHP a customer must be entitled to Housing Benefit or Housing Costs within Universal Credit and require extra help to meet their housing costs.

Housing costs may include rental liability, rent in advance payments, deposits, other lump sum costs associated with a housing need such as removal costs.

Purpose

The purpose of this policy is to set out how Coventry City Council will administer Discretionary Housing Payments. Discretionary Housing funding enables us to continue to provide temporary financial assistance to customers impacted by the Governments welfare reforms and to also make long term awards for those with on-going needs.

Each case will be treated strictly on its own merits and all customers will be treated equally and fairly.

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 state benefits and to give income maximisation advice where relevant.

Policy Objectives

The council will consider making a Discretionary Housing Payment to customers who can demonstrate a need for further financial assistance with their housing costs. All applications will be treated on their individual merits and decision making will be fair, equal and consistent.

The council will seek through the operation of this policy to:

- Prevent homelessness.
- Alleviate hardship and safeguard tenancies.

- Help with the prevention of immediate eviction.
- Reduce the need and use of temporary accommodation for homeless households.
- Support moves to sustainable tenancies.
- Support vulnerable tenants in the community.
- Support vulnerable young people in the transition to adult life.
- Support people into employment and sustain people in employment.
- Keep families together.
- Support people through difficult life events.

DHPs may be used for:

- Rent shortfalls because of Local Housing Allowance restrictions.
- Reductions in HB or UC where the benefit cap has been applied.
- Reductions in HB or UC for under-occupation in the social rented sector.
- Rent arrears in order to prevent homelessness.
- Rent shortfalls because of non-dependent deductions.
- 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

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

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.

Claiming Discretionary Housing Payments

The regulations specify that there must be a claim for Discretionary Housing Payments to the council before the Local Authority can consider making an award.

A claim can be accepted from the person entitled to Housing Benefit or Universal Credit or from someone acting on their behalf where appropriate.

The application form is on the council's website.

- 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
- the probable consequences of rent arrears for the customer or family members, especially if any of them are vulnerable by reason of age, sickness or disability
- the cost and availability of suitable alternative accommodation within the city.
- 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.

Amount of award

The amount awarded will be based on the individual circumstances, however where the award is to meet a shortfall, the level of DHP must not exceed the weekly or monthly eligible rent for the customer's accommodation. For lump sum payments, such as Bonds or Rent in Advance this limit does not apply.

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 normally be paid directly into a bank account by electronic transfer (BACS)

Notification

The Council will notify the customer of the outcome of their 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 amount of DHP awarded
- the period of the award
- the method of payment
- the requirement to report a change in circumstances

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.

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 Council will consider recovery of a DHP if it is decided that the award has been overpaid as a result of:

- a misrepresentation or failure to disclose a material fact by the claimant; or
- an error was made when the application was determined.

A DHP cannot be recovered from ongoing HB or UC, and there are no provisions to recover from other prescribed benefits.

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.