

## **Crisis and Resilience Fund Housing Payment Procedural Document.**

This document explains how South Derbyshire District Council will administer Housing Payments. It explains what the payments for, the criteria for payment and details associated with our decisions.

The Council will receive a Housing Payment fund of £85 732 a year in 2026/7 and 2027/8 from the Ministry of Housing, Communities and Local Government. The Council can choose to top-up the total Housing Payment fund.

Any council contribution above the government allocation is subject to approval by the Finance and Management Committee.

There are specific conditions which must apply before a Housing Payment can be awarded and these are detailed in the Housing Payment procedural document.

### **Eligibility criteria**

Applicants will only be eligible for a Housing Payment if they require further financial assistance with housing costs and are entitled to:

- Housing Benefit, (HB) or
- Universal Credit (UC) that includes housing costs towards rental liability, and

**An applicant receiving council tax support only, or who has not yet been awarded housing benefit or Universal Credit, is not eligible for a Housing Payment.**

Payment cannot be made where:

- Housing Benefit or Universal Credit has been suspended.
- The applicant's need for additional help is as a result of sanctions to welfare benefits
- There is a shortfall between benefit awarded and rent due resulting from:
  - support or service charges that are ineligible for housing benefit.
  - shortfalls caused by overpayment recovery.
- Increases in rent for outstanding rent arrears.
- Ineligible service charges
- Shortfalls caused by HB or UC overpayment recovery
- The Housing Payment budget for the financial year has been exceeded.

## Applying for a Housing Payment

To apply for a Housing Payment, please complete and submit our [online application form](#).

An applicant, or their appointee, can make an application for a Housing Payment. The date of receipt of an application will be logged as the application date.

If a claim is made by another method (e.g., telephone or email), a record of the initial contact will be kept on the Council's benefits system and will be considered as the date of claim. A Housing Payment claim form will be sent to the customer within three-working days of the initial contact. The form must then be returned by the customer within one-month of the issue date, otherwise the claim will be closed.

If the Council requires any supplementary information to support a submitted application, the Council will request this from the applicant/their appointee in writing or by email. The applicant will be asked to provide the information within two weeks from receipt of the letter. If necessary, the applicant may need to be interviewed to fully understand the needs of the applicant and their household. An income and expenditure assessment and bank statements may also be requested.

If the information is not provided by the applicant or their appointee, within one month, a decision will be made based on the evidence held.

If you cannot access the online form, please call our customer services team on 01283 595795. Our telephone lines are open Mondays, Tuesdays and Thursdays between 8.45am and 5pm, Wednesdays between 9.30am and 5pm and Fridays between 8.45am and 4.30pm. If you don't have access to a telephone, you can use the free telephone located at the Civic Offices.

**All applicants have a duty to inform the Council if their circumstances change during the Housing Payment assessment period (for example someone moves into or out of their property), as it may affect their entitlement to a Housing Payment.**

## What are housing costs?

Housing costs are not defined in the regulations, and this gives local authorities broad discretion to interpret the term as they wish.

For the purposes of this policy, housing costs are interpreted to include:

- Rent in advance.
- Deposits.
- Other lump sum costs associated with a housing need such as removal costs.
- In some cases rent arrears \*

\* Rent arrears can only be considered where the arrears accrued over a period that a relevant award of housing benefit or UC housing element was payable. The award of housing benefit for the arrears period will be considered to avoid duplication of payment. Furthermore, arrears will only be considered if paying them off will ensure the resident is in a more sustainable position or can move to a more sustainable property.

## Award criteria

In all instances consideration will be given to cases where there is:

- The prospect of imminent eviction.
- A risk of homelessness.
- A clear inability (of all household members) to pay, including any assets held (information to be taken from an income & expenses form completed by the applicant and validated by the Council).
- A period of time remaining on the tenancy agreement that is considered to restrict the applicant's ability to move.
- The accommodation meets the disability needs of a resident and unlikely to be able to find suitable alternative accommodation to match these needs (e.g., wet room, hoists, stairlifts etc)
- Evidence of action taken by applicant to prevent need for Housing Payment, e.g., negotiating with landlord, seeking agency support, obtaining advice regarding managing finances, attempting to gain employment, including entering training programmes such as:
  - Pre-vocational courses (literacy, numeracy, ESOL).
  - Vocational courses (such as money management training).
- Considered to be an adverse impact of non-payment of Housing Payment on vulnerable household members including:
  - The age of the applicant and the members of their household.
  - If changing address is likely to affect children at a critical educational stage.
  - Any specialist support services provided by the County Council's Adult or Children Services.
  - Health or medical needs assisted by local services that are not available elsewhere.
  - How difficult it is to move to alternative accommodation elsewhere because of age or disability.

- Availability of funds.
- Any other relevant factors.

### **Assessment of ability to meet the shortfall in rent**

Consideration of expenditure compared to income will be made in order to assess the ability to meet any shortfall and housing related expenses. All income sources will be looked at when considering a Housing Payment, including incomes that are disregarded under normal social security rules. Examples include

- Ability of non-dependant to make payment.
- Capital available to meet any shortfall.
- Personal independence Payments, Disability Living Allowance and Attendance Allowance.
- All incomes received such as maintenance payments.

Expenditure will be considered, and excessive or non-essential expenses will not be taken into account. Evidence of expenditure will be required where it is higher than typically expected. Examples of expenditure that may not be allowed, or only allowed in part include:

- Ability to reduce expenditure on debts by receiving debt advice and setting up repayment plans.
- Expenditure on items such as alcohol, cigarettes, TV subscriptions, entertainment will normally be considered non-essential.
- Ability to reduce the cost of expensive contracts such as those for expensive mobile phones.
- Any costs that are considered excessive, given the size of the property, the family composition, transport requirements.

### **Housing Payment for people moving into work**

The Council will consider awarding a Housing Payment to ease an applicant's transition into work, provided the applicant retains some housing benefit entitlement based on earnings and other income like tax credits.

In such circumstances, a Housing Payment top up to housing benefit can help with the adjustment needed when an applicant has to start making regular rent payments.

The amount of the award will depend on household income and expenses and will not cover any rent cost that housing benefit did not meet before the move into work.

The period of the award will be the latest of either eight-weeks from the start of work if an extended payment is not applicable, or the date tax credit payment begins.

## **Housing Payment where housing benefit or Universal Credit housing payment is restricted**

Benefit may be restricted because:

- The property is under occupied.
- The property is larger than the maximum of beds allowed under LHA rules.
- Rent is higher than average rents in the area.

When a Housing Payment claim is made because housing benefit is restricted, consideration will be given to:

- The amount of the shortfall.
- The total household income.
- Whether the rent charged is reasonable.
- The availability and suitability of cheaper accommodation either in the area or on a reasonable commuter route to the area.
- The length and the reasons for residency.
- The extent of any vulnerability the applicant or a member of their family has.
- Needs of the household in respect to suitability of accommodation, e.g. adapted for disability, additional space required because of disability.
- Needs of a foster child living with the household.
- Impacts of unforeseen change such as reduction to LHA rates.

### **Rent deposits**

When a Housing Payment application is made for a rent deposit, consideration will be given to:

- The likelihood of the applicant becoming homeless if a deposit isn't paid.
- Whether the move will improve the applicant's opportunities to find work.
- The amount of Housing Payment payable if the applicant does not move.
- The health needs of any member of the household that could be helped through moving to more suitable accommodation.
- The ability of the household to meet the cost of the deposit in whole or in part.
- Whether the applicant is due to have a deposit returned on the property they are moving out of.
- Whether the applicant has previously received a Housing Payment to cover a deposit from the Council.
- Whether the rent deposit will enable the applicant to move out of a less financially sustainable home and into a more financially sustainable home.

Payment of a Housing Payment for a rent deposit may be made for a property in or out of the district, as long as the applicant is entitled to housing benefit or Universal Credit housing payment in SDDC at the time of application.

There does not need to be a current shortfall between housing benefit and rent charged. Only one Housing Payment for rent deposit will be paid in a two-year period.

Payment will usually be made direct to the landlord. If the deposit is not returned due to wilful damage of the property, a subsequent deposit will not be awarded.

### **Rent arrears and moving costs**

Rent arrears can only be considered where the arrears accrued over a period that a relevant award of housing benefit or UC housing element was payable.

Arrears will only be considered if paying them off will ensure the resident is in a more sustainable position or can move to a more sustainable property.

When a Housing Payment application is made by a resident occupying a property that is non-financially sustainable (for example due to a change in circumstances such as a child leaving home), and rent arrears exist that are preventing a move, the Council may consider awarding a more generous award if the resident has secured alternative accommodation that is financially sustainable.

The award of housing benefit for the arrears period will be considered to avoid duplication of payment.

Payments may include:

- Rent arrears (see section 5 for eligible rent arrears)
- Rent deposits (see section 12.1).
- Moving costs (maximum of £500 per application).

Moving costs will only be awarded where the resident does not have adequate funds to support a move, and non-provision of funds would result in the resident remaining in non-financially sustainable accommodation and incurring further rent arrears.

### **Housing Payment awards in other circumstances**

There are no restrictions as to the other circumstances where a Housing Payment could potentially be awarded, as long as benefit is less than the eligible rent.

### **Non-awards**

In some instances, the award of a Housing Payment may not be appropriate.

This can include where the action(s) of the applicant has directly led to a shortfall between rent liability and housing benefit where:

- The applicant has sufficient capital to meet the shortfall for a period of up to six months to allow sufficient time to find suitable alternative accommodation.
- There is no evidence of any action taken by applicant to prevent the need for Housing Payment, e.g., negotiating with landlord, approaching agencies for support, obtaining advice regarding managing finances, attempting to gain employment including entering training programmes, unless physical or mental incapacity prevents this.

- The applicant moved to a property knowing the rent is higher than the housing benefit payable. The exceptions would be fleeing domestic violence or severe health reasons.
- Where it appears that the applicant is applying for Housing Payment because they have multiple debts. In such a case Housing Payment will only be awarded once the applicant has attended a meeting with a debt advice professional. Help will be given with making this appointment.
- A payment should be made from a more appropriate source such as the Homelessness Prevention Fund.
- Rent in advance is not deemed to be the most effective use of the limited funds available.

## Decision

A decision will be made within 10-working days of receipt of all relevant information.

A decision will be made using the criteria detailed in this policy. An evaluation sheet will be used to help make the decision.

Awards of Housing Payment are at the Council's discretion. All decisions will be recorded on the Council's benefits system.

The applicant will be advised of the outcome in writing which will set out the reason for the decision.

Where funds available have been exhausted, no further awards will be paid and where applicable, applicants will be advised that this is the reason their application has been refused. These cases may be reviewed once funds become available (e.g., if an ongoing award terminates earlier than expected).

## Period of awards

The Housing Payment award start date will normally begin from:

- The Monday following the date the application is received, or,
- The date benefit entitlement began if the application is received within one-month of the date the applicant was notified that their benefit had been decided, or,
- The effective date of change to benefit following a change of circumstances, if the application is received within 1 month of the applicant being notified of the decision relating to the change of circumstances.

Where a customer can show good grounds for the award to start from an earlier date, a request for backdated Housing Payment may be made.

To be eligible for a backdated period, or for rent arrears for a past period, the customer must have been in receipt of Housing Benefit or the Universal Credit housing element for that past period.

An application for backdating must be in writing and must give reasons to show 'good cause' for not making a Housing Payment application within the above time limits.

In this regard 'good cause' will have the same meaning as under the benefit regulations rules, which must be shown for the whole of the backdated period.

There is no limit on the period a backdated Housing Payment can be awarded for, but the applicant must have received minimum housing benefit for all of the period backdating is awarded for.

A Housing Payment will be made for a limited period within each financial year. The customer will be notified of the period of award. Some awards may be reduced in stages, to allow the customer to adjust their expenditure over time, in order to be able to meet their rental commitments at the end of the award period.

The end date of the Housing Payment period will depend on the individual circumstances of each application.

The issues to be considered are as follows:

- The expected duration of the applicant's circumstances.
- Tenancy end date.
- Expected date of change of circumstances.
- Amount of fund available.

## **Award amounts**

A Housing Payment may not cover the whole of a shortfall in housing costs.

The standard maximum Housing Payment is the amount of shortfall between the eligible rent and the entitlement to housing benefit, or amount of other housing costs if a lump sum is awarded (e.g. rent deposit, rent arrears or moving costs).

It is not for:

- Ineligible service charges – for example water rates, fuel costs and additional services provided by the landlord.
- Additional help required as a result of sanctions to welfare benefits (such as applicants not meeting the conditions of their entitlement, such as not applying for jobs, attending medical reviews etc).
- To cover sanctions and reductions in benefits as a result of sanctions to welfare benefits (such as not meeting the conditions of entitlement, such as not applying for jobs, attending medical reviews etc.).

The amount awarded does not have to cover the full shortfall in rent. Consideration is given as to how much is needed to ease the applicant's financial situation and how much is reasonable.

## **Assessing of claims**

Those making the decision on awards of Housing Payment will be notified regularly as the amount of Housing Payment budget remaining to ensure the fund is not over allocated and is evenly distributed throughout the financial year.

If a customer makes a claim for a past period (backdating) and has continuous good cause for their failure to make a claim earlier, their claim in respect of that period will be treated as being made on:

- The first day from which they had continuous good cause; or,
- The day six-months before the date of the claim for backdating if the customer is of working age, three-months for customers of pension age (which ever fell later).

If the Housing Payment claim is received within 1 calendar month of any entitlement to housing benefit or council tax benefit being issued, the Housing Payment will start from the same date as the entitlement date on the benefit award letter.

A Housing Payment may be paid as a one-off lump sum if this will reduce the customer's outgoings in the long-term so that they can make up the shortfall in the rent themselves. Equally, a Housing Payment (subject to eligibility criteria) may be paid as a one-off lump sum if doing so will enable the applicant to move to a more financially sustainable home.

Payment will be made by BACS, by credit to a rent account or direct to the landlord. Payments are usually made at the same time as housing benefit payments, except in cases where there is a lump sum award.

When deciding who the Housing Payment will be paid to, consideration will be given to who received the housing benefit payments, the level of the arrears and any other relevant information on the application form. Where rent arrears exist, there is the facility to pay the landlord direct under housing benefit provisions.

## **Cancellation and change of circumstances**

A Housing Payment award can be cancelled or amended if:

- The applicant has a change of circumstance that affects their Housing Payment.
- Housing Payment has been awarded based on information that was wrong, or that the authority was not aware of (this can be fraudulent or not).
- An error was made when the award was decided, and payment was made based on this error.
- The entitlement to benefit changes. The benefit may have been increased so that the total combined payment of Housing Payment and benefit is more than the rent (e.g., an increase in the rent officer's decision, in this case the Housing Payment will need to be reduced).

The cancellation or amendment may be from the start of entitlement or from a later date, depending on the reasons for cancellation.

Housing Payment can also be suspended if a question has arisen over the entitlement to the award.

*All recipients have a duty to inform the local authority of any change of circumstance that may affect their ongoing entitlement to a Housing Payment.*

### **Termination of a Housing Payment award when moving to Universal Credit**

When a case is naturally migrated to UC following a change in circumstances, the Housing Payment award will be terminated.

The date of termination will be the end of the two-week transitional period, in line with the end of the housing benefit award, or when the end of the two-week transitional period would fall, in the case of rent-free weeks.

The customer is able to make a new application based on their new circumstances when their UC is payable.

### **Overpayments**

Overpayments of Housing Payment will be recovered if they occur as a result of:

- A misrepresentation or failure to disclose a material fact by the applicant (fraudulent or otherwise).
- An error was made when the application was determined.
- The award had been superseded by an award of housing benefit or Universal Credit housing element.

If the overpayment is recoverable, a decision will be made on whom to recover the overpayment from. This can be the applicant, or the landlord or the person the Housing Payment was paid to.

Housing Payment may be transferred to the Council tenant's rent account if a credit is available on the account. However, this must be agreed with the relevant housing officer prior to transfer.

Where the recoverable Housing Payment overpayment cannot be recovered from a housing benefit award, an invoice will be issued.

The Council will pursue recovery of Housing Payment overpayments caused by misrepresentation/failure to disclose if it is economical to do so, which may include enforcement action if the debtor fails to make an arrangement to repay the debt.

If the overpayment is not recoverable, or the Council chooses not to recover it because it would be uneconomical or unreasonable to do so, then it will be recommended for write off.

*All recipients have a duty to inform the local authority of any change of circumstance that may affect their ongoing entitlement to a Housing Payment.*

## Notification

All applicants will be notified in writing of the decision and reason for the decision as soon as is reasonably practicable.

The letter will include:

- The period the award of Housing Payment is for (start and end dates) – eligible applications only.
- The amount of the award – eligible applications only.
- Reasons why the claim was successful (or not if Housing Payment is not awarded).

Landlords will also receive a notification if a Housing Payment is awarded and is to be paid direct.

If no award is made a refusal letter will be sent.

## Disputes and appeals

If the customer disagrees with the Council's decision, they may request a review in writing giving the reasons.

The applicant must make their request within one month of the original decision. Late requests will only be considered if the applicant has good reason for the delay.

The Benefits Subsidy & Compliance Manager will review all appeals. Unlike housing benefit appeals, Housing Payment appeals do not go to the Tribunal Service.

Disputes will be dealt with by 10 working days of receipt of the dispute. The applicant will be notified in writing of the decision and the reasons for the decision will be given.

In the event of a dispute as to interpretation of this guidance, the Discretionary Housing Benefits Payments Guidance manual shall be the final reference document.