



City of  
**Stoke-on-Trent**

# **Discretionary Financial Assistance Policy 2023/24**

**Revenues and Benefits, Strategy and Resources**

## Stronger together

This policy sets out how the implementation of the Discretionary Housing Payment and Council Tax Hardship Relief funds will seek to:

- Support our residents to fulfil their potential
  - Support vulnerable people in our communities to live their lives well.
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### 1. Discretionary Housing Payments (DHP)

The intention of this fund is to provide assistance to residents in receipt of housing benefit (or housing cost support through universal credit) who are unable to meet their reasonable housing costs. The period of the DHP will, where appropriate, allow sufficient time for a customer to attempt to change their own circumstances. Support and signposting to additional services will be provided to assist the customer achieve this.

Discretionary housing payments will be made to:

- Prevent or relieve homelessness
- Help customers who are currently in an unsuitable property to move to an affordable alternative property.
- Keep customers in properties specifically adapted to their needs.
- Provide short term help to those who are experiencing financial hardship, whilst they seek a longer-term solution
- Encourage employment as a vehicle to financial independence
- Support care leavers to establish and sustain their tenancy
- Support the work of foster carers
- Keep families together.

#### Shortfalls Covered by Discretionary Housing Payments

Discretionary housing payments are designed to provide additional support towards 'housing costs'. In most cases this will mean covering a shortfall between housing benefit/housing costs element of universal credit and the total rental charge.

The City Council considers housing costs to mean any costs directly relating to obtaining or sustaining a property, or tenancy. This includes:

- Rent in advance (including for Local Authority tenants)
- Rent deposit
- Removal costs
- Shortfalls between benefit entitlement and a rental liability at a current address. Including addressing arrears accrued for past periods during which entitlement to housing benefit or universal credit has been established

Situations where the City Council will not use ongoing discretionary payments include:

- To cover a shortfall resulting from a deduction because of ineligible service charges

- Shortfalls as a result of a non-dependant deduction. The City Council recognises that increased rates of deduction may prove prohibitive but using discretionary payments to bridge this amount would serve to undermine the policy intention of the housing benefit scheme.
- To mitigate the impact of recovery of overpaid housing benefit

### **Eligibility and Decision Making**

The City Council must be satisfied that the customer needs further financial assistance with their housing costs.

Each case will be assessed on its own merits in accordance with the overall aims and objectives of the policy. It is necessary to consider any personal circumstances relating to the individual customer that could be described as “exceptional”.

Where the decision maker can identify that a DHP will assist in meeting the strategic objectives of the scheme and that financial assistance is required, an award may be made without a full financial statement. Accordingly, assurances will be sought of any steps taken by the customer to alleviate their difficulties for themselves (e.g. have all possible state benefits been claimed). This will include establishing whether the applicant has acted on any advice previously offered and received.

The City Council will seek to work with customers who access the fund on multiple occasions and try to identify a long-term solution to the circumstances causing them financial hardship. In doing so, we will seek to support the principles of universal credit in promoting financial independence and replicating in work conditions.

### **Ongoing support with rent shortfalls**

The customer must be entitled to housing benefit or help with their housing costs under universal credit and have a shortfall between the benefit award and the eligible charge of rent.

In most cases an assessment will be made of the customer’s income and capital, and this will be set against their outgoings to establish a picture of the financial circumstances of the applicant. The authority will not set arbitrary guidance on acceptable levels of expenditure but will make a pragmatic decision based on the circumstances of the applicant. Income and expenditure will not be **the** determining factor in a decision to award DHP, but will contribute to an overall picture of the customer’s circumstances and their resilience to the position that they find themselves in.

Awards of ongoing support with a shortfall in rent will focus on enabling the customer to retain and pay for appropriate and sustainable accommodation through temporary difficulties, or in anomalous circumstances not addressed by housing benefit or universal credit.

Regard for the availability of suitable alternative accommodation, and any barriers to obtaining this will be given. Consideration will also be given to any specific reason as to why an applicant needs to reside in a specific dwelling or type of dwelling. This will include any medical conditions or disabilities that have a direct impact on the type or location of the dwelling needed.

Special consideration will be given to vulnerable groups including:

- Families with children at a critical point in their education.
- Young people leaving local authority care.
- Foster carers, including those between placements and those going through the approval process to become foster carers who may need to show that they have a spare room to be approved.
- Families with kinship care arrangements. Children who go into the care of family and friends are often extremely vulnerable and will usually benefit from the stability of remaining in a familiar area and continuing to attend their local school.
- Families with a child temporarily in care but who is expected to return home.
- Families with a social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project.
- People who have had to flee domestic violence or have moved because of the threat of violence in another area.
- Where someone in the household is expecting a baby (including those currently in shared accommodation or subject to an under-occupation reduction).
- Former armed forces personnel
- Homeless households or households threatened with homelessness as defined by the Homelessness Reduction Act 2017
- People with disabilities who need, or have had, significant adaptations made to their property, or where they are living in a property particularly suited to their needs.
- People with disabilities who receive informal care and support in their current neighbourhood from family and friends which would not be available in a new area.
- The elderly or frail who have lived in the area for a long time and would find it difficult to establish support networks in a new area.

The City Council recognises that customers in supported exempt accommodation are subject to higher rental charges as a result of the packages of care, support and supervision provided. Where a customer in such accommodation finds employment their ability to remain in their accommodation, and to continue to receive necessary support, is compromised as a result of reduced housing benefit entitlement. Whilst finding employment represents a positive step, it does not signal an end to their need for support and the linked accommodation. As such the City Council will award a discretionary housing payment, meeting the full rental shortfall (up to the total eligible rent), for 8 weeks from the date that entitlement to housing benefit reduces – subject to changes in circumstances. This additional transitional support is intended to meet difficulties arising from:

- The need to budget effectively for the first time after a period of dependence on benefits
- Adjustments to the regularity of payments
- New expenses, such as travel to and from work, clothing, child care etc.
- Delays in obtaining in-work benefits.

Entitlement to this transitional support is only available to customers who retain some entitlement to housing benefit.

## **One-off housing costs**

The City Council will consider one off housing costs to all residents affected by welfare reform where:

- The need is explicitly linked to resolving homelessness; typically supporting a move from temporary accommodation; and
- The customer is moving to more affordable accommodation resulting in a reduced need for ongoing financial support from discretionary funding; and
- The cost of moving is a barrier to the customer being able to move; or
- The vacating customer would free up a sought-after property addressing the needs of a customer affected by welfare reform and in line with the Council's Allocations Policy.

An individual will need to demonstrate their inability to meet the one-off housing cost without additional financial support.

The City Council can award a DHP for a rent deposit or rent in advance for a property that the customer is yet to move into, only if they are entitled to housing benefit or universal credit at their present home. However, in the case of rent in advance or removal costs prior to housing benefit being put into pay the City Council will make an indicative decision on the application. Written verification of the award will be provided to a landlord or removal company in order to assist the tenant to secure the property. Payment will only be made once entitlement to housing benefit or universal credit housing cost element has been determined.

A DHP would not usually be awarded for a rent deposit where the customer would be eligible for support from the City Council Bond Scheme. A DHP claim would, however, be considered if a bond scheme application had been refused.

Prior to awarding a tenancy deposit, the City Council will always seek assurance about a landlord's compliance with legal obligations to protect any deposit paid in a Government approved tenancy deposit protection scheme. Adherence with this requirement will help to reduce the need for future help with deposits. As a result, the City Council will not award a full rent deposit to the same customer more than once.

### **The award**

There is no upper or lower limit of a DHP award but an award will not exceed the rental liability of the person claiming where it is covering a rental shortfall even in cases where the customer receives universal credit.

Where the applicant has been receiving a DHP for a rental shortfall for a period of more than 52 weeks, the City Council may look to reduce the amount of any subsequent awards to help the customer to budget for rent payments in the future.

The length of an award will be at the discretion of the City Council and will be based on the known facts and evidence supplied. The minimum period for a DHP award will be one week and awards will not normally be made for periods of more than 26 weeks. It is acknowledged that in certain circumstances awards will need to be for longer periods, particularly where the current home has been adapted to meet the needs of a family member with substantial and continuing disability.

Following an initial award, a DHP review may be carried out by telephone to verify current circumstances and check eligibility with a view to extending the award. This may be at the same amount or at a different amount depending on the circumstances and length of award.

An award will normally be made from the Monday following the date of the application. However, there is no restriction on backdating of DHP. The customer must demonstrate good cause for failing to apply sooner, but consideration will be given to the desired impact of awarding a DHP from a date earlier than it was received. The City Council is not able to award a DHP for past periods where there is no entitlement to housing benefit or the housing cost element within universal credit.

The City Council will not introduce any form of conditionality to the payment of a DHP. However, with each award the applicant will be issued with advice, information and expectations, the fulfilment of which will be considered should any future applications be received. Such expectations may include:

- Engagement with additional employment support, such as attendance at work clubs
- Actively pursuing more affordable accommodation through registering with additional providers
- Attending budgeting sessions
- Obtaining debt advice
- Active engagement with other support agencies

### **Changes of circumstances during a DHP award**

It is the customer's responsibility to inform the benefits service of any changes in their circumstances that may affect their entitlement to or award of a Discretionary Housing Payment. A DHP may be increased, reduced, cancelled or remain unchanged following a reported change in circumstances. The City Council will review the amount of award in accordance with the purpose of initially granting the application. Any amendment to the award will ensure that it does not result in payment exceeding the rental liability when combined with housing benefit/housing costs element.

Overpayments of DHPs will be recovered if it is decided the original payment has been made as a result of misrepresentation or failure to declare relevant information at the time of the application, either fraudulently or otherwise. These overpayments will only be recovered by means of an invoice raised as a sundry debt or through deduction from future awards of Discretionary Housing Payment. Where the applicant is a City Council tenant, overpayments may be recovered against credits on their rent account, if permission is received.

### **Payments**

Although DHPs are not a payment of housing benefit, payments will be made in the same manner as rent rebates and rent allowances.

DHPs paid to local authority tenants in receipt of housing benefit will be credited directly to their respective rent accounts. Private tenants will receive payments by BACS either to themselves or directly to their landlord depending on who receives the housing benefit payment.

Payment arrangements will need to be made in respect of customers claiming a DHP who are also in receipt of universal credit. In most cases, and regardless of tenure type, payments of DHP where the customer is in receipt of universal credit will be made to the claimant. Where the Authority has proof of an alternative payment arrangement it will consider following this decision with the payment of DHP.

Where the customer is in receipt of the housing cost element of universal credit, payments of DHP will normally be made on a monthly basis regardless of tenure type.

Payment of one-off housing costs will ordinarily be made to the landlord or service provider.

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## **2. Council Tax Hardship Relief**

The City Council has established a hardship relief scheme in recognition of the financial pressure which will be faced by residents of the city following the abolition of council tax benefit. This power is exercised under section 13A(1)(C) Local Government Finance Act - Reductions by billing authority.

This policy has been agreed by the City Council to ensure all taxpayers making applications for this relief are treated in a fair, consistent and equal manner. This policy seeks to safeguard the interest of local taxpayers by ensuring that funds allocated for the award of council tax hardship relief are used in the most effective and economic way. The scheme's aim is to award relief towards council tax payable by the claimant who is suffering financial hardship, or would suffer hardship if the relief was not allowed.

An award may be in respect of an on-going charge or in respect of a previous account or period but not in respect of any debt or period before 1 April 2013.

If you are not currently in receipt of Council Tax support but believe you may be eligible visit [stoke.gov.uk/info/20019/benefits/29/apply\\_for\\_council\\_tax\\_support](http://stoke.gov.uk/info/20019/benefits/29/apply_for_council_tax_support) to get more information and apply online.

### **Eligibility and Decision Making**

An application may be made by a council tax payer in respect of any domestic property within the City of Stoke-on-Trent.

The granting of council tax hardship relief is wholly discretionary; the City Council will consider every application on its own merits. There is no statutory right to a hardship payment from the fund. Any reduction of council tax on grounds of hardship will only be made where the applicant has proven that hardship exists, or would exist if an award was not made. Regard will be given to any current vulnerability issues that the customer has, or potential vulnerability issues for customers if an award is not made.

- All alternative ways of reducing the council tax debt will be considered before an award from the hardship fund is considered. Any potential entitlement to discounts, exemptions, reliefs or benefits administered by the authority will be investigated and

awarded if applicable. The customer's entitlement to any additional benefits or income will also be investigated as a means of enabling payment of the liability to be made.

- The taxpayer must be able to satisfy the City Council that they are not able to meet some or all of their council tax liability. The taxpayer must demonstrate that they have taken all reasonable steps to meet their full council tax liability, including applications for alternative funding or benefits.
- The City Council must be satisfied that enforcing payment of the full council tax liability would result in severe hardship as defined by insufficient money being available for their basic needs such as housing, food, heating, lighting or medical needs. Particular consideration will be given where the liable party falls in to any of the vulnerable groups outlined in section 1 of this policy.
- The Local Authority takes the position that council tax is a priority debt; relief is not to be granted by the authority where the debt is outstanding as a result of wilful refusal or culpable neglect on the part of the liable person, or where the inability to pay stems from the requirement to repay other non-priority debts incurred by the applicant. Decision makers will provide assistance or signpost the customers for assistance, if their customer has other significant debts that are impacting upon their ability to pay their council tax liability.
- Applicants who are in receipt of universal credit, who would previously have been entitled to an exemption from the 70% cap in council tax support, through falling into a vulnerable group will be considered as a priority for relief in this scheme.
- Hardship fund payments will not be considered where there is no council tax debt outstanding, whether the council tax has been cleared by payment, discount, exemption or council tax support.
- An applicant does not have to be in receipt of council tax support in order to obtain help through the council tax hardship relief. Those likely to be applying who are not in receipt of council tax support include:
  - Residents with no access to public funds.
  - Applicants where no 'good cause' to backdate council tax support has been determined.
  - Residents with a second property which they are unable to sell – classed as an asset, may be ignored for council tax support purposes at home address, but empty property would attract a council tax charge.
  - Where multiple debts to various agencies exist.

This list is not definitive. Any resident may apply for the reduction.

The City Council has a statutory duty as a corporate parent to support care leavers, and make decisions, as if the leaver was their own child. This scheme will be used in order to meet the financial liability of a taxpayer who is a care leaver after any entitlement to council tax support has been considered.

### **The award**

An award may be made in respect of the current financial year, or in extreme circumstances, in respect of any previous financial year which starts after 31 March 2013. No award may be made in respect of future financial years. An award from the hardship fund will be shown as a



reduction on the council tax bill. The period and amount of any award will be at the discretion of the City Council. Awards are expected to address current financial hardship rather than past debts meaning no significant payment for past period is expected as requests for relief should be made promptly.

If, at a later date, it is discovered that a hardship relief award was not correctly due it would be recovered from the council tax account to which it was credited. Likewise, if a change in circumstances occurs which reduces or removes the need for a hardship payment this may be reduced and/or recovered.

### **Council Tax Support Fund**

Recognising the impact of rising bills, the Government will be distributing £100m of new grant funding in 2023-24 for local authorities to support economically vulnerable households in their area with council tax payments.

The Government have asked all Local Authorities to award a £25 reduction to residents Council Tax accounts if they are in receipt of Council Tax Support.

In addition to the above the City Council will award up to an additional £25 if, after the initial £25 reduction has been applied, the balance left outstanding on the account is less than £25 then residents will receive a reduction for the full amount of the balance outstanding to reduce their bill to nil.

The maximum amount that any claimant can receive is £50 which is £25 Council Tax Support Fund and £25 Council Tax Support Fund Additional Award. Residents cannot ask for this payment as a cash award. It is not a grant payment, it is a Council Tax reduction only.

Residents that are eligible for this support do not need to apply for this reduction, it will be automatically applied to the Council Tax account.

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## **3. Access and monitoring**

### **The application process**

An application should be made online here - [Apply For a DHP](#). Information can be found on our website [stoke.gov.uk](http://stoke.gov.uk). Alternatively, applications can be made over the phone on 01782 234234 (Monday to Thursday 9am to 5pm, Friday 9am to 4.30pm).

A claim for discretionary housing payments will be accepted at any point during the customer's entitlement to housing benefit or universal credit (where housing costs are included). There is no requirement to be in receipt of council tax support in order to apply for council tax hardship relief.

Receipt of an application will not negate in any way the customer's rental liability or taxpayer's obligation to pay the council tax as demanded.

The City Council will determine the most appropriate funding pot to award support from e.g. an applicant may request support with their council tax however it may be determined that support from discretionary housing payments may better meet the financial needs of the applicant.

## **Disputes**

The customer can request a review of any decision. The review will be carried out by a senior officer (other than the original decision maker) who will look at the decision again and notify the customer in writing of the outcome of their review.

An applicant (or an appointee) can request a right to seek a review if they can demonstrate:

- A decision was made on a factual error that was through no fault of the applicant.
- An oversight on a significant piece of evidence.
- New evidence has emerged that was not available when the original application was submitted.

Such requests should be made in writing by the applicant to: Benefit Services, Civic Centre, Glebe Street, Stoke, ST4 1HH, or via our [Contact Benefits](#) page within one calendar month of the decision being issued.

If an applicant wishes to make a complaint about the nature in which their enquiry or application was dealt with, we will adhere to our corporate complaints policy.

## **Monitoring**

To ensure transparency and consistency, there will be regular monitoring of applications and awards. Such monitoring will be undertaken with due regard to the council's responsibilities under all relevant legislation. Steps will be taken to monitor the implementation of this policy to ensure that no one is subject to disproportionate treatment. The council will act with due regard to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic specified in the equalities act and other relevant legislation.
- Take steps to meet the needs of persons who share relevant protected characteristics that are different from the needs of persons who do not share it.
- Foster good relations

## **Communication**

A decision letter will be issued in all cases outlining the amount of any award or the reason for an application being refused. Relevant advice and information will be included with this decision.

We will publicise the scheme and work with all interested parties to achieve this. The scheme will be publicised on the Council's website and the Council will ensure that key local agencies, front line staff, community and voluntary sector organisations are aware of how the scheme works.

All written correspondence should be sent to: Benefit Service, Stoke-on-Trent City Council, Civic Centre, Glebe Street, Stoke-on-Trent, ST4 1HH, or via our [Contact Benefits](#) page.

## **Protecting Public Funds**

It is a criminal offence to try to obtain access to this fund by making false statements or providing false information. The council will take action, including legal proceedings, in any cases which are found to be fraudulent.