



# DISCRETIONARY SUPPORT POLICY

***Additional help for rent  
and council tax costs***

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Ambitious Stockport, creating opportunities *for everyone*

# Discretionary Support Policy

## 1. Introduction

### Help with rent

On 2nd July 2001, a Discretionary Housing Payment (DHP) scheme was introduced, giving Local Authorities power to provide financial assistance to claimants with their housing costs. Funding for this assistance is provided by the Department for Work and Pensions (DWP) and ring fenced for people who receive Housing Benefit, or Universal Credit where the housing costs element is included in their current award. The Discretionary Financial Assistance Regulations 2001 give Local Authorities the discretion to decide how this funding will be distributed.

The scheme provides discretionary help where the customer has a shortfall between their HB or UC and the rent they must pay for reasons such as (but not limited to):

- reductions in HB or UC where the benefit cap has been applied.
- reductions in HB or UC due to the maximum rent (social sector) size criteria ("bedroom tax").
- reductions in HB or UC as a result of Local Housing Allowance (LHA) restrictions.

Funding is limited and customers do not have a statutory right to a payment.

### Help with Council Tax

In addition to Stockport Council's local Council Tax Support Scheme, the Council can reduce the amount a person has to pay towards their Council Tax, under Section 13A(1)(c) of the Local Government Finance Act 1992. A reduction may be considered appropriate where:

- exceptional circumstances and financial hardship can be demonstrated
- taxpayers are affected by Stockport's local Council Tax Empty Property Discount Scheme and payment will cause financial hardship
- residents who, through no fault of their own, receive an increased bill due to receiving too much Council Tax Support

All awards are at the discretion of the Council.

### Policy Aims

To enable Stockport residents to secure or keep appropriate accommodation. This will primarily be achieved by providing short term financial help to people while they improve their financial situation, such as finding work, getting debt advice, or finding more affordable accommodation. The policy is also intended to support people who have little scope to change their personal circumstances.

To ensure that discretionary awards contribute to the Council's aims and objectives for the Borough's development and promote social inclusion for all Stockport residents whilst not subsidising poor accommodation, not encouraging irresponsible behaviour, or disadvantaging other charge payers in the borough.

Discretionary awards towards Council Tax costs should not undermine the purpose and nature of the local Council Tax Support scheme or local Empty Property Discount Scheme.

We will consider each application in line with the Council's corporate aims and objectives. Each case will be treated strictly on its merits and all claimants will receive equal and fair treatment.

The Council is committed to joint working with other partners and organisations to increase entitlement to all Welfare Benefits and will reflect this in managing discretionary support for rent and Council Tax.

## **2. Specific Policy Objectives**

- To alleviate poverty
- To sustain tenancies and help prevent homelessness
- To help customers through personal and difficult events over which they have no control
- To keep families together
- To support vulnerable or elderly customers in the local community
- To support the work of foster carers
- To support the Armed Forces community
- To support people who are in unaffordable tenancies but cannot move to more affordable accommodation due to reasons such as health, disability, or child protection
- To support people to secure sustainable and affordable accommodation which they can maintain without the need for ongoing DHP awards
- To support people to secure paid employment
- To refer residents to partner agencies who can help address the underlying issue/s contributing to the root cause of poverty to help them towards obtaining future financial resilience
- To support people who are suffering from financial hardship because of Stockport's local Council Tax Empty Property Discount Scheme
- To support care leavers up to age 25, by reducing their net Council Tax liability (arising from 1<sup>st</sup> April 2017 onwards) to zero

## **3. How to apply**

Applications for payments towards rent should be made online at [www.stockport.gov.uk/housing-benefit-discretionary-payments](http://www.stockport.gov.uk/housing-benefit-discretionary-payments)

Applications for help towards Council Tax should be made online at [www.stockport.gov.uk/financial-support-in-a-crisis](http://www.stockport.gov.uk/financial-support-in-a-crisis).

Applicants will need to upload documents with the form to support their claim. If it is not possible to upload them when filling in the form, they can be emailed to:

[supportfund@stockport.gov.uk](mailto:supportfund@stockport.gov.uk) for help with rent, and/or  
[Bentax.appeals@stockport.gov.uk](mailto:Bentax.appeals@stockport.gov.uk) for help with Council Tax.

If the required documents are not provided within 2 weeks of submitting the form, it will not be possible to work out if you are entitled to a discretionary award and the application will be refused.

#### **4. Awarding criteria**

##### **a. Essential criteria**

The following criteria needs to be met before an award of discretionary help with rent can be made; The claimant must:

- be entitled to Housing Benefit or Universal Credit that includes a housing element towards rental liability, in the benefit week for which a discretionary payment is to be made

*AND*

- not receive enough Housing Benefit/Universal Credit Housing Element to cover their actual housing costs

The following criteria needs to be met before an award of discretionary help with council tax can be considered; The claimant must:

- be liable for Council Tax at an address in Stockport

Every application for discretionary support will be considered on 'its merits', no blanket decisions will be made. Applicants will be expected to:

- evidence hardship that justifies a discretionary payment through providing details of income and expenditure and bank statements
- have taken reasonable steps to resolve their situation prior to application
- engage with debt advice where appropriate
- not have access to other assets that could be realised and used to pay the rent
- have claimed all other eligible benefits, discounts and reliefs that are available
- be experiencing difficulties that prohibit them from being able to meet their rent or Council Tax (account will be taken of the likely length of time this difficulty will exist).

Overall cash limits, the effect on other charge payers and the Council's financial situation will be valid elements of the decision-making process. There are no set time limits for making a claim for a discretionary award.

The maximum level of Discretionary Housing Payment for help with rent cannot exceed the maximum amount of housing costs within Universal Credit or the difference between the Housing Benefit award and the eligible rent on the home.

Both the amount and the duration of a discretionary award towards rent or Council Tax will be determined at the discretion of the Council and will be done so based on the evidence supplied and the circumstances of each case.

#### **b. What we cannot pay for**

Legislation means that a Discretionary Housing Payment cannot be paid:

- To contribute to the cost of ineligible service charges
- To cover increases in rent due to outstanding rent arrears
- To assist in paying for rent costs which arise from sanctions or reductions in other benefits. These include any reduction made as a result of not complying with work related conditionality, or in arranging maintenance as directed by the Child Support Agency or breaching a community service order.
- To cover benefit suspensions
- For shortfalls caused by HB or UC overpayment recovery

#### **c. What we are unlikely to pay for, unless to do so would strongly support the policy objectives outlined above**

- Assistance with moving costs, rent in advance, and deposits (unless moving to more affordable accommodation)
- Shortfalls caused by a non-dependent deduction
- Shortfalls caused by a deduction for unearned income (e.g., student finance; Carer's Allowance)
- Where a Managed Payment to Landlord is in place for the full housing costs element
- Where the tenancy was not affordable when it was taken on
- Where the rent charged is of such an amount that the tenancy would still be unsustainable even if realistic steps to improve the household situation were achieved
- Where applicants have not taken steps to reduce or remove their need for DHP
- Where an applicant has multiple outstanding debts, and has no plans to seek professional debt advice, or to deal with the debt
- Where there is affordable and suitable available alternative accommodation
- Where multiple adults are living in one property, and another household member(s) could be expected to make additional contributions to the rent
- Where fraud has been admitted or proven in relation to claims for Housing Benefit, Universal Credit, Council Tax Support or Discretionary Payments.

## **5. Conditionality**

Customers benefiting from discretionary support will be expected to take action to prevent the need for further awards. This action could include seeking paid

employment, moving to more affordable accommodation or engaging with support to address debt or to better manage their finances.

The intention of any conditionality is to assist the customer in improving their circumstances in line with the policy objectives; it is not a punitive measure. If repeat applications are made for the same set of circumstances, customers may be required to demonstrate that they have taken steps to change their circumstances before discretionary support can be awarded, for example, by providing evidence that they have applied for jobs, are seeking more affordable accommodation and have sought advice on managing their finances. An award of a discretionary support may also be conditional on customers demonstrating that they are continuing to take such action.

## **6. Decisions and notifications**

Decisions regarding discretionary awards will be notified to the applicant in writing or electronically (if the applicant has agreed to this). This information should include appropriate explanations and/or any reasons for non-payment and will include:

- Reasons for the decision
- The start and end date of the award
- The amount of the award
- Conditions attached to the award
- The applicant's right of review
- Advice that future awards may not be made

## **7. Review of decision**

There is no right of appeal against the Council's decision regarding a payment from the Discretionary Housing Payment fund. However, if you do not agree with our decision, you can ask us to look at it again, for example if new evidence is presented that was not available when the original decision was made. You should write to us straight away, within one month of the date of decision, giving full reasons why you disagree. A different officer will look at your application and let you know the outcome as soon as possible.

Although there is no appeal procedure within the regulations for Discretionary Housing Payments, claimants can pursue the matter to Judicial Review but would be advised to seek independent advice in the first instance.

If you disagree with a decision regarding help with Council Tax, you must first send a letter or email to the Council outlining the reasons why you disagree. We will look at the decision again and notify you of the outcome. If you still disagree, or if you do not receive a reply within 2 months, you may appeal to a Valuation Tribunal.

## **8. Overpayments**

The Council has the discretion to revise, reduce or withdraw a Discretionary Housing Payment if it is found that the circumstances of the applicant have changed, and the award is no longer appropriate. The recovery of any overpaid Discretionary Housing Payment will be decided taking account of all relevant circumstances, including the claimant's current financial circumstances. Where appropriate, an overpaid Discretionary Housing Payment will be recovered via an invoice.

The Council can choose to recover some or all of a Council Tax discretionary award. This may be done where a reduction has been granted incorrectly, or the claimant has a change in circumstances after the award has been made. The amount recovered will be added back to the claimant's Council Tax account.

## **9. Fraud**

The Council is committed to the fight against fraud in all its forms. A claimant who tries to fraudulently claim discretionary support by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where the Council suspects such a fraud may have occurred, the matter will be investigated, and this may lead to the instigation of criminal proceedings.

## **10. Responsibility for administration of DHPs**

Overall responsibility for administration lies with SMBC, though delegation of decision making and processing of applications is permitted in line with DWP guidance.

## **11. Monitoring**

The reasons for making a DHP award will be monitored and reported based on the following list:

- Benefit Cap
- LHA Reductions
- Housing Benefit reductions due to under-occupation
- Combination of reforms
- Other

This will be reported back to DWP in accordance with their requirements.