

**REPORT TO: HOUSING COMMITTEE – 8 FEBRUARY 2016**

**REPORT ON: LOCAL AUTHORITY TENANT HARDSHIP FUND**

**REPORT BY: EXECUTIVE DIRECTOR OF NEIGHBOURHOOD SERVICES**

**REPORT NO: 40-2016**

**1 PURPOSE OF REPORT**

1.1 The report proposes the introduction of a Dundee City Council Local Authority Tenant Hardship Fund Policy.

**2 RECOMMENDATION**

2.1 It is recommended that the Committee approve the Local Authority Tenant Hardship Fund policy as detailed in appendix A and the promotion of the policy on the Council's internet and intranet sites.

**3 FINANCIAL IMPLICATIONS**

3.1 The budget available in 2016/17 for the Local Authority Tenant Hardship Fund payments is £250,000. The budget was approved by Housing Committee on 25 January 2016 (Committee Report 28-2016 refers).

**4 BACKGROUND**

4.1 The Local Authority Tenant Hardship Fund aims to assist Local Authority tenants suffering financial hardship, for example, as a result of the United Kingdom Government Welfare Reform Programme, to meet their rent payments.

4.2 The Council has been successful in limiting the impacts of Welfare Reform for tenants and rental income to the Council through providing Discretionary Housing Payments, debt advice, assistance from the Connect Team and giving greater priority for re-housing tenants affected by the bedroom under-occupancy charge. With the roll out of Universal Credit, further pressures will be placed on tenants and their ability to keep up with rent payments.

4.3 The Hardship Fund is intended to support these tenants to sustain their tenancies and prevent homelessness.

4.4 A Hardship Award may be granted in circumstances where it is considered that a Local Authority tenant requires further financial assistance towards meeting their rent payments and is in receipt of a Housing Benefit or Universal Credit housing element which would enable them to qualify for a Discretionary Housing Payment (DHP).

4.5 An application must have been made for a DHP. Only where a DHP cannot be made will an award for a Hardship Award be considered. A Hardship Award would be considered where a tenant can demonstrate they are unable to meet housing costs from their available income.

4.6 The policy attached at Appendix A sets out the qualifying criteria and the arrangements for administration of the Hardship Fund.

**5 POLICY IMPLICATIONS**

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

An Equality Impact Assessment is attached.

**6 CONSULTATIONS**

- 6.1 The Chief Executive, the Executive Director of Corporate Services and Head of Democratic and Legal Services have been consulted and are in agreement with the contents of this report.

**7 BACKGROUND PAPERS**

- 7.1 None.

Elaine Zwirlein  
Executive Director of Neighbourhood Services

22 January 2016

**DUNDEE CITY COUNCIL**

**LOCAL AUTHORITY  
TENANT**

**HARDSHIP FUND**

## **1 Introduction**

Dundee City Council (DCC) Hardship fund aims to assist Council tenants suffering financial hardship in the payment of rent e.g. as a result of the Westminster Government's Welfare Reform Programme.

The sum of £250,000 has been set aside in the Housing Revenue Account (HRA) to cover the costs of the scheme for the financial year 2016/17.

The Council has been successful in limiting the impacts of Welfare Reform for tenants and rental income to the Council through for example, Discretionary Housing Payments, debt advice and assistance from the Connect Team and giving greater priority for rehousing tenants affected by the bedroom under-occupancy charge. With the roll out of Universal Credit, further pressures will be placed on tenants and their ability to keep up with rent payments.

The Hardship Fund is intended to support these tenants with tenancy sustainment and prevent homelessness.

## **2 Hardship Award**

A Hardship Award may be granted when it is considered that a Council tenant requires further financial assistance towards housing costs (rental liability) and is in receipt of a Housing Benefit or Universal Credit housing element which would qualify them for a Discretionary Housing Payment (DHP).

An application must have been made for a DHP. Only where a DHP cannot be made will an award for a Hardship payment be considered, e.g. where a tenant has made a claim for Universal Credit, 7 waiting days have been applied and the UC award includes the housing element.

A Hardship Award would be considered where a tenant can demonstrate they are unable to meet housing costs from their available income or that they have a shortfall as a result of the Westminster Government's Welfare reforms.

The Council will determine this by taking into consideration the tenant's financial circumstances and any other relevant factors as detailed in the DHP application.

The level of award may cover all or part of a shortfall in rent.

All decisions will be made in accordance with the ordinary principles of good decision making. The Local Authority has a duty to act fairly, reasonably and consistently.

Each case will be decided on its own merits.

## **3 Backdating**

A Hardship Award may be backdated. There are no restrictions on the length of backdating period but the tenant must have been in receipt of Housing Benefit or Universal Credit (housing element) during the period applied for.

#### 4 Method of payment

Hardship Awards will be delivered via the Housing Benefit payment systems and paid along side Housing Benefit payments. There will be a clear audit trail of payments and differentiation between awards.

Hardship Awards will be credited direct to the tenants rent account in all cases.

#### 5 Stopping an award

A Hardship Award may stop if it is decided the award is being or has been made because a tenant has misrepresented or failed to disclose a material fact fraudulently or otherwise and or when a tenant has been paid as a result of error.

#### 6 Overpayments

The Council will make every effort to minimise Hardship Award overpayments, however where an overpayment occurs, the Council will decide if it is appropriate to recover the award by taking into consideration whether the tenant contributed or could reasonably have been expected to realise that an overpayment was occurring

Any credit on a tenants rent account as a result of an overpayment of a Hardship Award may be recovered. A tenant will not be placed in arrears as a result of any recovery.

#### 7 Length of Award

The length of time an award will be paid is at the discretion of the Council, however the award will not exceed 26 weeks in the first instance. Time will be given to the tenant to sort out their financial or housing circumstances and to engage with Local Authority Housing Options team and or the Local Authority Connect Team.

#### 8 Change of circumstances

A tenant receiving a Hardship Award is required to notify the Local Authority of any changes in circumstances which may be relevant to their Hardship Award as soon as is reasonably practicable.

Most change of circumstances that tenants have a duty to report for Housing Benefit or Universal Credit purposes may also be relevant to their Hardship Award. Such information may be used to review the level of award.

#### 9 Qualifying for a Hardship Award

Before an award is made the Council must be satisfied that the tenant:

- Is in receipt of Housing Benefit / Universal Credit (housing element) **and**
- Is unable to meet housing costs from available income/has a shortfall as a result of welfare reform **and**
- Has applied for and been awarded a DHP for a set period of time and a further DHP award cannot be made **or**
- Has received a partial award of DHP **or**

- Has applied for a DHP and the decision maker is satisfied that the tenant requires financial assistance but no DHP budget is available.

## **10 Shortfalls covered by Hardship Award**

A Hardship Award may be made in the following circumstances (but are not limited to):

- Reductions in Housing Benefit or Universal Credit where the benefit cap has been applied
- Rent shortfalls to prevent a household becoming homeless
- Where the tenant has accrued Rent Arrears in the current financial year. An award for previous year's arrears may be considered in exceptional circumstances.

## **11 What a Hardship Award cannot cover**

There are certain elements of a tenants rent that cannot be included in housing costs for the purposes of a Hardship Award because the Housing Benefit regulations exclude them from a DHP.

Excluded elements are:

- Ineligible service charges
- Increases in rent due to outstanding rent arrears
- Certain sanctions and reductions in benefit.

## **12 The level of a Hardship Award**

Where the purpose of the award is to meet an ongoing rental liability, the Council has the discretion to decide how much of the shortfall to meet. A Hardship Award calculated on a weekly basis cannot exceed the eligible rent.

## **13 Payment Cycles**

Awards will be made direct to tenants rent account at the same frequency as the Housing Benefit or Universal Credit payment.

## **14 Dispute Procedures**

There is no statutory right of appeal in respect of a Hardship Award. The Local Authority can review a hardship decision in the event of a dispute or where the tenant asks for reconsideration. An officer not involved in the original decision will consider the request for review.

## **15 Administration**

The Hardship Fund will be administered within the Council's Corporate Services Revenues Accounts and Benefits Service along with the DHP scheme. Monthly monitoring reports on Hardship Fund payments will be made to the Executive Director of Neighbourhood Services.

## EQUALITY IMPACT ASSESSMENT TOOL

### Part 1: Description/Consultation

<b>Is this a Rapid Equality Impact Assessment (RIAT)?</b>		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<b>Is this a Full Equality Impact Assessment (EQIA)?</b>		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Date of Assessment:</b>	20 January 2016	<b>Committee Report Number:</b>	40- 2016
<b>Title of document being assessed:</b>		Local Authority Tenant Hardship Fund	
<b>1. This is a new policy, procedure, strategy or practice being assessed</b> (If yes please check box) <input checked="" type="checkbox"/>		<b>This is an existing policy, procedure, strategy or practice being assessed?</b> (If yes please check box) <input type="checkbox"/>	
<b>2. Please give a brief description of the policy, procedure, strategy or practice being assessed.</b>		Proposal for the introduction of a Dundee City Council Local Authority Tenant Hardship Fund.	
<b>3. What is the intended outcome of this policy, procedure, strategy or practice?</b>		Hardship Fund payments to be made to local authority tenants who meet the qualifying criteria. Claims for the Hardship Fund will be treated equally and fairly.	
<b>4. Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.</b>		Discretionary Financial Assistance Regulations 2001. The Discretionary Housing Payments (Limit on Total Expenditure) Revocation (Scotland) Order 2014.	
<b>5. Has any consultation, involvement or research with protected characteristic communities informed this assessment? If yes please give details.</b>		N/A	
<b>6. Please give details of council officer involvement in this assessment.</b>  (e.g. names of officers consulted, dates of meetings etc)		Gordon Birrell John Wolstencroft January 2016	
<b>7. Is there a need to collect further evidence or to involve or consult protected characteristics communities on the impact of the proposed policy?</b>  (Example: if the impact on a community is		Collection of statistical information in connection with number of Local Authority Tenant Hardship Fund applications received.	

not known what will you do to gather the information needed and when will you do this?)	
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## Part 2: Protected Characteristics

Which protected characteristics communities will be positively or negatively affected by this policy, procedure or strategy?

**NB Please place an X in the box which best describes the "overall" impact. It is possible for an assessment to identify that a positive policy can have some negative impacts and visa versa. When this is the case please identify both positive and negative impacts in Part 3 of this form.**

If the impact on a protected characteristic communities are not known please state how you will gather evidence of any potential negative impacts in box Part 1 section 7 above.

	Positively	Negatively	No Impact	Not Known
<b>Ethnic Minority Communities including Gypsies and Travellers</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Gender</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Gender Reassignment</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Religion or Belief</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People with a disability</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Age</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Lesbian, Gay and Bisexual</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Socio-economic</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Pregnancy &amp; Maternity</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Other (please state)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Part 3: Impacts/Monitoring**

<p><b>1. Have any positive impacts been identified?</b></p> <p>(We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another)</p>	<p>Support individuals to sustain their tenancies and remain in their homes.</p>
<p><b>2. Have any negative impacts been identified?</b></p> <p>(Based on direct knowledge, published research, community involvement, customer feedback etc. If unsure seek advice from your departmental Equality Champion.)</p>	<p>None</p>
<p><b>3. What action is proposed to overcome any negative impacts?</b></p> <p>(e.g. involving community groups in the development or delivery of the policy or practice, providing information in community languages etc. See Good Practice on DCC equalities web page)</p>	<p>Promote awareness via voluntary organisations and third sector bodies along with the Council's website and information leaflets. Staff to proactively advise and assist customers in need of further financial assistance to apply for assistance from the Local Authority Tenant Hardship Fund.</p>
<p><b>4. Is there a justification for continuing with this policy even if it cannot be amended or changed to end or reduce inequality without compromising its intended outcome?</b></p> <p>(If the policy that shows actual or potential unlawful discrimination you must stop and seek legal advice)</p>	<p>N/A</p>
<p><b>5. Has a 'Full' Equality Impact Assessment been recommended?</b></p> <p>(If the policy is a major one or is likely to have a major impact on protected characteristics communities a Full Equality Impact Assessment may be required. Seek advice from your departmental Equality lead.)</p>	<p>No</p>
<p><b>6. How will the policy be monitored?</b></p> <p>(How will you know it is doing what it is intended to do? e.g. data collection, customer survey etc.)</p>	<p>Through the collection of statistical information on Local Authority Tenant Hardship Fund applications.</p>

**Part 4: Contact Information**

<b>Name of Department or Partnership</b>	Neighbourhood Services
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<b>Type of Document</b>	
Human Resource Policy	<input type="checkbox"/>
General Policy	<input checked="" type="checkbox"/>
Strategy/Service	<input type="checkbox"/>
Change Papers/Local Procedure	<input type="checkbox"/>
Guidelines and Protocols	<input type="checkbox"/>
Other	<input type="checkbox"/>

<b>Manager Responsible</b>	<b>Author Responsible</b>
<b>Name:</b> David Simpson	<b>Name:</b> Jacqui Kopel
<b>Designation:</b> Head of Housing & Communities	<b>Designation:</b> Snr Council Tax & Benefits Manager
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<b>Signature of author of the policy:</b>	Jacqui Kopel	<b>Date:</b> 20/01/2016
<b>Signature of Director/Head of Service:</b>	David Simpson	<b>Date:</b> 20/01/2016
<b>Name of Director/Head of Service:</b>	David Simpson	
<b>Date of Next Policy Review:</b>	31/02/2017	