Policy and Resources Meeting	
Meeting Date	11 March 2026
Report Title	Housing Payments Policy
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Zoe Kent, Head of Revenues and Benefits
Lead Officer	Zoe Kent, Head of Revenues and Benefits
Classification	**Open**
Recommendations	1. To adopt the Housing Payments Policy

1 Purpose of Report and Executive Summary

1.1 The purpose of this report is to approve the draft Housing Payments policy.

1.2 Discretionary Housing Payments have been provided by local authorities since 2001. The purpose of the payments is to help those on the lowest of incomes to top up a shortfall between the Housing Benefit payment and the rent amount.

1.3 The borough has been required to have a policy in place to ensure the needs of those requiring help are met. The policy has evolved since 2001 to link in with economic downturns and national policies.

1.4 From 1 April 2026 the Government is changing the discretionary support that is provided towards housing costs. This report provides details of the changes and a background to the policy.

2 Background and proposals

2.1 From 1 April 2026 Discretionary Housing Payments (DHP) and the Household Support Fund (HSF) will end, and a new fund named the Crisis and Resilience Fund (CRF) will commence.

2.2 When the CRF was first announced, the previous DHP funding was merged with what was the HSF funding. The total funding was to be paid to county councils. District authorities raised concerns that the HP was a duty for district authorities, and the funds should not be merged. The Department for Work and Pensions (DWP) changed the allocation of funding for 2026/27 and 2027/28 to ensure the HP funding is paid directly to district authorities. The funding will be the same as received by authorities in 2025/26, for Swale this is £260,758.

2.3 Since 2008 Housing Benefit (HB) payments for private tenants (those living in a property with a private landlord rather than a Registered Social Landlord) have been assessed using Local Housing Allowances (LHA). LHA rates are based on areas. Swale covers three rental market areas Swale and Medway (Sittingbourne and the Isle of Sheppey), Canterbury (Faversham) and Maidstone (villages on the North Downs). The rates are set at around 60% of the market rent.

2.4 As buying properties has become more unaffordable and more people either stay at home or rent properties rather than buying, this has made renting properties harder for those claiming welfare benefits. DHPs previously and HPs going forward can be awarded towards the shortfall between the Housing Benefit (HB) or Universal Credit Housing Costs (UCHC).

2.5 Prior to April 2013, DHPs had only been paid to claimants who had a shortfall between their HB and rent, for reasons such as a higher-than-average rent, working so not receiving full HB or living in larger than necessary accommodation due to a claimant being pregnant.

2.6 Since the implementation of the welfare reform changes in 2013 the DHP grant increased due to the reduction in the Local Housing Allowance (LHA) rates which had restricted the amount the Council can pay in Housing Benefit, the spare room subsidy reductions and the benefit cap. In 2015 Local Authorities also started awarding DHPs to claimants claiming Universal Credit Housing Costs.

2.7 The use of the DHP budget over the last 12 years has gradually changed. It was thought that the Benefit Cap and the spare room subsidy rules would use a large proportion of the DHP budget. This has not been the case. A large proportion of the budget now goes towards, paying towards rent arrears, deposits and rent in advance. These awards are made in conjunction with the Housing team to ensure that claimants are living in properties that are affordable and sustainable in the future.

Table 1: *DHP expenditure 2024/25*

DHP Expenditure 2024/25 **DHP Grant - £262k**	**Number of awards**	**£**
Benefit Cap	7	10,126
Removal of spare room subsidy	29	21,274
LHA Restriction	26	44,176
Combination of reforms	1	196
No welfare reform impact i.e. awarded under previous rules	164	188,819
Total	**227**	**£233,999**
Purpose of DHP		**Number of awards**
To help secure and move to alternative accommodation e.g. rent deposit		56
To help with short-term rental costs while the claimant secures and moves to alternative accommodation		2

To help with short-term rental costs whilst the claimant seeks employment	4
To help with on-going rental costs for a disabled person in adapted accommodation	1
To help with on-going rental costs for any other reasons	164
Total	**227**

Table 2: *DHP expenditure 2025/26 – to 10/02/2026*

DHP Expenditure 2024/25 **DHP Grant - £262k**	**Number of awards**	**£**
Benefit Cap	4	2,401
Removal of spare room subsidy	20	20,819
LHA Restriction	49	44,299
Combination of reforms	0	0
No welfare reform impact i.e. awarded under previous rules	150	188,819
Total	**223**	**£233,999**
Purpose of DHP		**Number of awards**
To help secure and move to alternative accommodation e.g. rent deposit		50
To help with short-term rental costs while the claimant secures and moves to alternative accommodation		7
To help with short-term rental costs whilst the claimant seeks employment		17
To help with on-going rental costs for a disabled person in adapted accommodation		4
To help with on-going rental costs for any other reasons		145
Total		**223**

2.8 The policy has been written to ensure that the limited funds are used to help those most in need. This will include insuring that properties that are taken on are affordable as any award should be short-term and cannot be guaranteed for future years.

2.9 The Government's intention when bringing in the CRF was to ensure that those people needing help would receive support if needed from both strands of the scheme to ensure people can manage their finances and manage a home effectively. The guidance states that the CRF funding can be used to help with HP if needed. To ensure the funding is used appropriately the Revenues and Benefits officers who review HP applications will work in partnership with the Housing and Welfare officers. It may for example be possible to give help towards fuel costs to ensure a person can make payments towards their rent.

2.10 The primary objectives of the policy are:

- Prevent homelessness;
- Enabling people to secure new affordable tenancies;
- Safeguard residents of the borough in their homes;
- Provide support in a time of crisis;
- Help alleviate poverty; and
- Encourage employment.

2.11 The policy will be reviewed again within the next 12 months to ensure it is helping the right people appropriately.

3 Proposals

3.1 It is proposed that the Housing Payments policy is adopted by the Policy and Resources Committee.

4 Alternative Options Considered and Rejected

4.1 To not adopt a policy, to instead use the Government guidance that has been issued.

4.2 This is not recommended. The guidance is a long document also covering the CRF, whilst the HP funding is a separate pot of funding, it is preferable to have a policy. This enables officers, claimants and stakeholders to have clear guidance on the local scheme.

5 Consultation Undertaken or Proposed

5.1 A consultation has not been carried out because of the short timescales between the guidance being issued and a policy having to be in place. A consultation will be carried out in the next 12 months and results from it can be fed into the policy for April 2027.

5.2 An equality impact assessment has been carried out.

6 Implications

Issue	**Implications**
Corporate Plan	The objectives and priorities in the corporate plan. To aspire to be a borough where everyone has access to

	a decent home and improved health and wellbeing.
Financial, Resource and Property	The Housing Payment grant for 2026/27 is £260,758. Financial analysis will continue to be undertaken throughout the year to ensure the funding goes to those most in need.
Legal, Statutory and Procurement	Authorities are required to have a scheme under Section 1 of the Localism Act 2001.
Crime and Disorder	Not directly applicable.
Environment and Climate/Ecological Emergency	Helping residents to live in appropriate housing can lead to better environmental conditions.
Health and Wellbeing	Residents who have difficulty in paying their rent are signposted to Housing Payments and the Housing team. Providing this support can indirectly help their health and well-being.
Safeguarding of Children, Young People and Vulnerable Adults	The policy will look to protect the most vulnerable and those households on the lowest incomes.
Risk Management and Health and Safety	Having a policy in place reduces the risks on families presenting as homeless.
Equality and Diversity	An EQA has been completed
Privacy and Data Protection	All requirements have been adhered to.
Local Government Reorganisation	A new policy will be required for any new authority. The policy will therefore be reviewed during 2027/28.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Draft Housing Payments policy
- Appendix: II: Equality Impact Assessment