

Policy outline on Hardship Fund

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1. Policy Statement

Brighton & Hove City Council will establish a Temporary Accommodation (TA) Hardship fund to provide discretionary time-limited financial support to relevant residents living in council-owned or long-leased temporary accommodation in Brighton & Hove who are unable to meet the full cost of their rent following the Council's decision to align temporary accommodation rents to Local Housing Allowance (LHA) rates.

The fund operates as a standalone discretionary provision. It is not a statutory entitlement. Awards are made at officer discretion, on a case-by-case basis. Subject to the eligibility criteria and award parameters set out in this policy.

The fund is financed from the additional rental income generated by the LHA alignment. It is cash limited and reviewed annually alongside the TA rent setting decision.

2. Scope

2.1 Properties in Scope

The fund applies to TA properties living in council-owned or long-leased temporary accommodation, meeting the definition as stated in the TA sustainability cabinet paper (2026), which are subject to the LHA rent alignment decision:

- HRA-owned properties used for temporary accommodation purposes
- Properties held under long-leases by the Council from private landlords and sublet as temporary accommodation

2.2 Properties not in scope

The following are outside of scope:

- Nightly paid TA
- Bed and breakfast
- Hotel placements
- TA sourced through private sector leasing from third party landlords
- Supported or exempt accommodation

2.3 Households in Scope

The fund is available to households residing in-scope properties who are not in receipt of full Housing Benefit and who face a financial shortfall attributable to the rent uplift. Analysis of the in-scope portfolio has identified that approximately 10 - 20% of households fall into this group. The fund allocation has been sized accordingly.

Certain groups and claims will not be considered other than in exceptional circumstances.

3. Eligibility

3.1 Eligible cohorts

The 20% of in-scope households not in receipt of full housing benefit fall into three groups. The fund allocation has been sized to cover this combined cohort. The nature of the shortfall and the role of the fund differ by group.

Cohort	Nature of shortfall	Fund role and duration
Partial Housing Benefit (HB)	HB award does not cover full LHA aligned rent. Arises from earned income taper or non-dependent deductions. Approx 9% in scope of TA households fit into this.	Bridge support while circumstances are reviewed. Accompany with income maximisation and benefit check. Award up to X weeks; renewable on reassessment.
Awaiting HB assessment	HB claim pending or existing award not yet updated to reflect new rent level. Shortfall is expected to be temporary and self-resolving.	Short term bridge only. Award on end date aligned to expected HB assessment data. Typically, 4-8 weeks. Not renewable; shortfall ends when HB is in payment.
Cash payer/No HB	Household may be meeting TA costs from earned income. Not currently in receipt of HB. Expected to self-fund the uplift; fund available only where genuine financial hardship is demonstrated.	Exceptional support only, where genuine financial hardship is demonstrated by full income and expenditure assessment. Award up to X weeks; renewable on reassessment. Consider financial inclusion referral for unclaimed benefit entitlement.

3.2 Eligibility criteria

To be eligible for an award, a household must meet all of the following:

Criterion 1: Resident in scope of Temporary Accommodation

The household must be currently residing in HRA owned or long-leased council TA property in Brighton & Hove to which the LHA rent alignment applies at the time of application.

Criterion 2: Membership of an eligible cohort

The household must fall within one of the three eligible cohorts, defined in section 3:1 - partial HB; awaiting HB assessment; or cash payer with no HB. Households in receipt of full housing benefits are not eligible.

Criterion 3: Demonstratable Financial Hardship

The shortfall must be causing, or be at demonstrable risk of causing, financial hardship. This may be evidenced by one or more of the following:

- Rent arrears accrued on or after the date the LHA-aligned rent took effect
- A current income and expenditure assessment showing the shortfall cannot be met by household income or savings
- Referral from an income collection, housing options or financial inclusion officer with support case notes] or other relevant service or agency for example: debt agency, social services, etc

Hardship is assessed on a case-by-case basis. A household need not be in arrears at the point of application. Applications are welcomed proactively when hardship is anticipated.

For cash payers, a full income and expenditure assessment will be mandatory. Award to this cohort is exceptional and will require clearly documented evidence.

Criterion 4: Engagement with the council

The household must be engaging with the council in relation to their housing situation. This means they are contactable and cooperating with income collection or housing options officers. Awards will not normally be made to households who are refusing engagement or who have abandoned their TA placement.

3.3 Ineligibility

A household will not normally be eligible if:

- They are in receipt of full Housing Benefit – their award will recalculate to cover the new rent
- Their rent shortfall is wholly caused by benefit sanctions or overpayment recovery deduction or decisions unrelated to the rent uplift
- They have accrued arrears solely due to not paying over benefit amounts already received in full
- The property they occupy is outside the scope of the LHA alignment decision
- They have significant savings or resources reasonably available to meet the shortfall without hardship
- They are not engaging with the council, despite reasonable attempts to make contact

3.4 Relationship with discretionary housing payments

The Hardship fund is a standalone discretionary resource and is not dependent on Discretionary Housing Payments (DHP). Households do not need to have applied for or been refused a DHP before accessing the fund. Where a household is in receipt of HB, officers should consider whether a concurrent DHP application is appropriate. The fund and a DHP must not pay for the same shortfall in the same period. Cash

payers with no HB entitlement are ineligible for DHP and for this reason the standalone design of the fund is essential for this cohort.

Discretionary Housing Payments (DHP):

DHP is administered by the benefit service and is available to households in receipt of HB or UC. Working households or self-funders who are not in receipt of HB/UC are not eligible for DHP. The DHP fund is also a standalone fund.

Read more about DHP eligibility in Brighton & Hove here: [Apply for a discretionary payment](#)

4. Awards

4.1 What the fund covers

The fund may be used for:

- Rent credits to clear arrears directly attributable to the rent uplift, accrued on, or after, the uplift effective date
- Short term reoccurring rent credits to bridge the ongoing shortfall while a longer-term solution is identified
- Partial awards where the household can contribute to the shortfall from their own resources.

The fund cannot be used for:

- Rent arrears that accrued wholly before LHA alignment decision took effect
- Non-rent housing costs, including utility bill or service charges not met by HB
- Indefinite ongoing subsidy with no expectation of resolution or change in circumstances
- Households who are not engaging with council

An award from the fund should accompany an active support plan that sets out a pathway to a sustainable housing outcome. Officers should not make awards in isolation from casework.

4.2 Form of payment

All awards are made as rent credits applied directly to the households' rent account. No cash payments are made to residents. Finance must confirm the accounting treatment for rent credits in HRA and General Fund property accounts before fund goes live.

5. Award Value and Duration

5.1 Maximum Award Value

Awards are discretionary and cash limited. Renewal is permitted on reassessment when the household remains eligible, and no resolution has been achieved; renewal is not automatic and is treated as a fresh assessment. Awards for the awaiting HB

assessment cohort are not renewable; this cohort shortfall is expected to be temporary.

Awards may be terminated before the end of the award period where the households' circumstances change materially, for example, no rehousing, HB assessment completion or significant income change.

6. Application and Assessment Process

Officers should not entirely rely on self-referral as the primary identification mechanism. Wherever possible, officers should look for households who may be impacted. A monthly data pulls of rent accounts across scope HRA, and long-leased properties should be run to identify accounts moving into arrears on or after the rent uplift effective date. Cases identified through this process should be cross-referenced with the in-scope property list and contacted proactively. This is particularly important for the partial HB cohort, who may not recognise they are eligible or come forward without prompting.

Applications may be made through the following routes:

- Self-referral: The household contacts the income collection or housing options team directly to request an assessment
- Officer referral: An income collection, housing options, or financial inclusion officer identifies a household as potential eligible, for example through monitoring of rent accounts following the uplift date.
- Benefit service referral: the benefit service identifies at the point of HB assessment that the new rent level is not fully covered and refers to the case to housing options.
- Relevant service or agency referral: Voluntary community services, charities, debt agencies and other organisations may share a referral to the income collection or housing options team

6.2 Assessment

Each application is assessed by the case management officer against the eligibility criteria. The assessment must cover:

- Confirmation that the property is in scope (HRA-owned or long-leased TA subject to LHA alignment)
- The household's cohort and the basis for shortfall
- For partial HB; the current HB award and new rent change, the shortfall is the difference
- For awaiting assessment: confirmation of a pending HB claim and expected assessment timeline from the benefits service
- For cash payers: A full income and expenditure assessment, award only when hardship is clearly evidenced
- Whether any savings or other resources are available to households

- A support plan setting out the households housing pathway, awards must not be made in isolation from active casework

6.3 Decision making

Awards up to an agreed threshold may be approved at an appropriate officer level. Awards exceeding this threshold must be approved by the Director of Homes and Adult Social Care. All decisions must be recorded in the case management system, including the rationale, whether the award is approved or refused.

6.4 Review and Appeals

When a household disagrees with a decision, they may request a review within 21 days of receiving a written notice of the decision. There is no statutory right of appeal beyond this internal review. The council's standard complaints process remains available where a household considers the review was conducted improperly.

Please see complaints procedure: [Make a complaint using our corporate complaints procedure](#)

7. Budget

7.1 Allocation

The fund is allocated £203,000 per full annum. This figure has been determined on the basis that approximately 20% of households across the in-scope HRA owned and long-leased TA portfolios are not in receipt of full HB and are there the cohort for whom the rent uplift creates a residual shortfall. The allocation is presented in the cabinet paper as proportion of the total additional rental income generated by the LHA alignment.

7.2 Funding Source

The fund is financed from the additional rental income generated by the LHA alignment, presented in the cabinet paper as a proportion of total annual uplift income. It is not drawn from reserves.

7.3 Cash limit and in-year monitoring

The fund is cash limited. Expenditure is monitored on a monthly basis against the annual allocation. When spending reaches 75% of the allocation. Finance is notified so that early closure or supplementary provision can be considered if required. Unused budget at year end is proposed for carry-forward to the following year rather than return to general reserves, ensuring provision remains available for the same purpose.

7.4 Annual Review

The budget allocation is reviewed annually alongside the TA rent setting decision. Take-up data and household outcomes from the quarterly monitoring reports inform whether the allocation requires adjustment for the following year.

8. Governance and Review

- The fund is operated by finance under delegated authority from the Corporate Director of Homes and Adult Social Care
- A annual monitoring report is submitted to the Homes and Adult Social Care DLT covering; number of applications received, number of awards made and refused; total spend against budget, average award value and duration; household outcomes (rehoused, income change and ongoing)
- This policy is reviewed annually and brought back alongside the TA rent setting paper for the following year, so that the fund amount and eligibility criteria can be assessed considering take up data
- Any material changes to eligibility criteria require sign-off outside of the annual cycle
- Expenditure will be monitored against approved budget on a monthly basis, finance will be notified at 75% spend so that early closure or supplementary funding can be considered if needed.

9. Equalities Considerations

The rent uplift may impact households who do not receive full HB coverage. An Equality Impact Assessment has been completed, and groups have been reviewed who represent at risk cohorts.

The fund is designed to be accessible across all three cohorts without requiring HB receipt as a precondition. This policy should be read alongside the full Equality Impact Assessment for the TA sustainability cabinet paper.

The council will monitor protected characteristics where data is available and report annually. Where the monitoring data indicates that groups are underrepresented relative to the affected population, outreach and communication will be targeted accordingly.