

Folkestone & Hythe District Council Tenant Support Fund Operational Procedure



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1 Background

- 1.1 A housing service charge is a charge collected to pay for services or facilities relating to the communal parts of a particular building and/or estate. Service charges are calculated separately to rent and are bound by different legislation. Rent is set by government and able to be increased annually only by CPI +1%. Rent covers a charge for the occupation of a home, including its general management and, in many cases, its repair. Service charge costs include communal facilities such as cleaning, grounds maintenance, communal area heating, laundry rooms, lifts, and fire detection equipment, etc.
- 1.2 The service charge should be an accurate projection of the cost of the services over the coming year based on based on the actual costs of the communal services delivered the previous year. This may change from year to year. A profit isn't allowed under the legislation, a deficit would mean that tenants' social rents are subsidising the services, which is currently the case that has unfortunately developed over the years at F&HDC.
- 1.3 Until 31 March 2026 Council tenants paid a 'pooled' service charge, this is a flat rate applied to their rent and service charge account. From 1 April 2026 service charges will be apportioned out (or 'de-pooled'). This means that each tenant will pay a service charge that is only paying for the services they actually receive in the block they live in, and tenants' rental income is not subsidising service charges.
- 1.4 This means that some tenants will receive a larger than expected increase in service charges from April 2026.
- 1.5 The Tenant Support Fund (TSF) will be 'phased' across 3 years, based on the level of increase of service charge each tenant is required to pay. All tenants will be entitled to apply for the fund, but only those eligible for the scheme, following an income and expenditure assessment, may be awarded assistance through the fund.
- 1.6 Assistance through the Tenant Support Fund will not be considered where the full service charges are being met by Housing Benefit or the Housing Element of Universal Credit. Those tenants in receipt of partial Housing Benefit can apply to the TSF and will need to undergo an income and expenditure assessment.

2 Equalities

- 2.1 The creation of a Tenant Support Fund operational procedure meets the Council's obligations under the Equality Act 2010.

- 2.2 The Council recognises the impact that our ‘de-pooling’ of service charges will have on those residents who are struggling financially, and therefore the importance this guidance has in protecting those applicants most in need of financial support. It should be noted that the Tenant Support Fund is intended to help in cases of extreme financial hardship and not support a lifestyle or lifestyle choice. It is to provide transitional support over the next 3 years towards tenants’ being able to pay fully for their service charges in year 4.
- 2.3 Whilst the definition of ‘Exceptional Hardship’ is not exactly defined by this procedure, it is accepted that changes to the level of support generally will cause financial hardship, and any award made will be at the total discretion of the Council. Exceptional Hardship should be considered as ‘hardship beyond that which would normally be suffered.’

3 Purpose of the Tenant Support Fund Procedure

- 3.1 The purpose of this procedure is to specify how Folkestone & Hythe District Council will operate the scheme, to detail the application process and indicate a number of factors, which will be considered when deciding if a Tenant Support Fund award can be made.
- 3.2 Each case will be treated on its own merits, and all applicants will be treated fairly and equally in both accessibility and also decisions made.

4 Features of the scheme

- 4.1 The fund would be applied using the criteria below. Financial support in year 1 can be awarded at 75% of the increase, 50% of the increase in year 2 and 25% of the increase in year 3 (calculated after the first £5 per week).
- 4.2 The table below provides examples showing potential transitional fund support payments based on example increases of under £5, £5-10, £10-15, £15-20 and £20 plus:

Increase in service charge per week	Assistance Year 1 (2026/27) (75% support after first £5)	Assistance Year 2 (2027/28) (50% support after first £5)	Assistance Year 3 (2028/29) (25% support after first £5)
£4.50	£0	£0	£0
£8.80	£2.85	£1.90	£0.95
£14.95	£7.46	£4.97	£2.48
£17.50	£9.37	£6.25	£3.12
£38.60	£25.20	£16.80	£8.40

- 4.3 If the 2026/27 increase is £5 per week (or under), it is expected that this is affordable to tenants and they will be able to cover this from their own funds, or it will be paid by benefits for those in receipt of Housing Benefit.
- 4.4 If the increase is over £5.01 tenants can be awarded 75% support in year 1. They can apply for 50% support in year 2 and 25% in year 3, assuming that they haven't already transitioned to full cost recovery.
- 4.5 If during assessment for support it is accepted that an increase would cause 'exceptional hardship' then officers will have flexibility to offer support over and beyond the 75%, this will be at officers' discretion as appropriate alongside seeking other support for any tenant in that position.
- 4.6 The main features of the procedure are as follows:
- This operational procedure only relates to charges incurred from 1 April 2026;
 - The operation of the procedure will be at the total discretion of the Council;
 - The operational procedure will be applied by the Council Tax, Benefits & Welfare service on behalf of the Council, in partnership with the Housing Services team;
 - There is no statutory right to awards from the fund although the Council will consider all applications received;
 - Where a Tenant Support Fund award is requested for a previous period, Exceptional Hardship must have been proven to have existed throughout the whole of the period requested and will only be backdated to the start of the financial year in which the application is made;
 - Tenant Support Fund awards are designed as short-term help to the applicant only; and
 - All applicants will be expected to engage with the Council and undertake the full application process as required. Failure to do so may mean that no award will be made.

5 The Tenant Support Fund process

- 5.1 As part of the process of applying for additional support, all applicants must be willing to undertake all of the following:
- Make a separate application in writing for assistance;
 - Provide full details of their household, income and expenditure;
 - Where a person is self-employed or a director of a private limited company, provide details of their business including supplying business accounts;
 - Accept assistance from either the Council or third parties, (such as Citizens Advice Bureau or Money Advice Service), to enable them to manage their finances more effectively - including the termination of non-

essential expenditure and assessment of the potential for additional paid employment where applicable;

- Identify potential changes in payment methods and arrangements to assist them;
- Maximise their income through the application for other welfare benefits, Council Tax reductions/discounts, cancellation of non-essential contracts and outgoings and by identifying the most economical tariffs for the supply of utilities and services generally.

5.2 Through the operation of this procedure the Council will look to:

- Allow a period of time for someone to adjust to unforeseen short-term circumstances and to enable them to “bridge the gap” during this time, whilst the applicant seeks alternative solutions;
- Help applicants through personal crises and difficult events that affect their finances; and
- Help those tenants who are trying to help themselves financially.

5.3 A Tenant Support Fund award will not be considered in the following circumstances:

- Where the full service charges are being met by Housing Benefit or the Housing Element of Universal Credit;
- Where the Council considers that there are unnecessary expenses/debts etc and that the applicant has not taken reasonable steps to reduce them, for example, exploring the possibility of moving to a more suitable affordable property, cancelling, or reducing TV streaming services and reducing car finance payments where possible;
- Where a tenant’s household has more than £1,000 in capital or savings;
- To pay for any arrears of rent or service charges caused through the failure of the applicant to notify changes in circumstances in a timely manner or where the applicant has failed to act correctly or honestly; or
- To cover previous years rental arrears.

6 Awarding a Tenant Support Fund payment

6.1 The Council will decide whether or not to make a Tenant Support Fund award, and how much any award might be.

6.2 When making this decision the Council will consider:

- The shortfall between any benefits and rental liability (where appropriate);
- Whether the applicant has engaged with the Tenant Support Fund process;
- If benefits have already been awarded to meet a shortfall in rent (where appropriate);

- The personal circumstances, age, and medical circumstances (including ill health and disabilities) of the applicant, their partner any dependants and any other occupants of the applicant's home;
- The difficulty experienced by the applicant, which prohibits them from being able to meet their increased service charges, and the length of time this difficulty will exist;
- The income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home;
- All income received by the applicant, their partner, and any member of their household irrespective of whether the income may fall to be disregarded under any Council Tax Reduction or benefit schemes;
- Any savings or capital that might be held by the applicant, their partner, and any member of their household irrespective of whether the capital may fall to be disregarded under any Council Tax Reduction or benefit schemes;
- Other debts outstanding for the applicant and their partner;
- The exceptional nature of the applicant and/or their family's circumstances that impact on finances;
- The length of time they have lived in the property; and
- Whether or not the actions of a customer have contributed to any increased costs such as car insurance premiums.

6.3 The above list is not exhaustive and other relevant factors and special circumstances will be considered.

6.4 Tenants are encouraged to make prompt applications as backdating may not always be considered for an award.

6.5 An award of Tenant Support Fund does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed.

6.6 A Tenant Support Fund award may be less than the difference between the service charge liability and the amount of Tenant Support Fund paid. The application may be refused if the authority feels that, in its opinion, the applicant is not suffering 'exceptional hardship' or where the applicant has failed to comply with the Tenant Support Fund process.

7 Publicity

7.1 The Council will make a copy of this operational procedure available for inspection and will be published on the Council's website.

8. Applying for a Tenant Support Fund award

- 8.1 An applicant can make an application for a Tenant Support Fund award by submitting an application to the Council. The application form can be obtained via the Council's website as a webform on the following page: [Rent responsibilities and struggling to pay | Folkestone & Hythe District Council](#) Alternatively tenants can contact us by telephone or in person at one of the Council offices.
- 8.2 In some cases the Council may use information held to make an award in the absence of an application form.
- 8.3 Applicants can request assistance with the completion of the form from the Neighbourhood or Independent Living Officers at the Council.
- 8.4 The application form must be fully completed and supporting information, or evidence provided, as reasonably requested by the Council.
- 8.5 In most cases the person who applies for the Tenant Support Fund award will be the person liable for the service charges. However, an application can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.

9. Duties of the applicant and the applicant's household

- 9.1 A person claiming a Tenant Support Fund is required to:
- Provide the Council with such information as it may require to make a decision; and
 - Tell the Council of any changes in circumstances that may be relevant to their ongoing award within one month of the change.

10. Changes in circumstances

- 10.1 The Council may revise an award of Tenant Support Fund where the applicant's circumstances have changed, which either increases or reduces their liability to pay a service charge.

11. The award and duration of the Tenant Support Fund

- 11.1 Both the amount and the duration of the award are determined at the discretion of the Council, and will be done so on the basis of the evidence supplied and the circumstances of the application.
- 11.2 The start date and duration of any award will be determined by the Council. The maximum length of the award will be limited to the financial year in which the application is received.

- 11.3 Applicants will need to re-apply in year 2 and 3 if they wish to do so.
- 11.4 Any Tenant Support Fund award will be made direct into the tenants' rent account, thereby reducing the amount of service charge payable.

12. Overpaid Tenant Support Fund awards

- 12.1 Overpaid Tenant Support Fund awards will generally be recovered directly from the tenant's rent account, thus increasing the amount of service charge/rent due and payable. Overpayments may occur as a result of misrepresentation or a change in circumstances.

13. Notification of an award

- 13.1 The Council will notify the tenant of the outcome of their application for a Tenant Support Fund award in writing via email or post.

14. The right to seek a review

- 14.1 Tenant Support Fund awards are not payments of Housing Benefit/Universal Credit and are therefore not subject to the statutory appeals mechanism. A decision on a TSF award does not carry a right of appeal to a Social Security Tribunal.

- 14.2 The Council will operate the following procedure for dealing with appeals against any decision on a claim for Tenant Support Fund:

- A claimant, or person nominated by the customer to act on their behalf, who disagrees with a TSF decision may dispute the decision or request the full reasons for it. A request for an internal review or for details of reasons should be made in writing to the Housing Service within one month of the written decision about the TSF award being issued to the customer. For a review to be considered it is not enough to simply disagree with the decision, the customer will need to provide specific reasons for disagreeing. Where appropriate, officers will explain the TSF decision to the customer by phone, at interview or in writing and will seek to resolve the matter. If resolved by phone or interview confirmation of agreed resolution will then be made in writing providing reasons for the decision. Email for appeals: housing.service@folkestone-hythe.gov.uk
- Where agreement cannot be reached, a Senior Officer will consider the case. They will review all of the evidence held and will make a decision within 14 days of referral, or as soon as practicable.
- Where the officer decides not to revise the original decision, the customer will be notified in writing with reasons for the decision.
- The decision will be deemed as final, and an appeal cannot be made. If a claimant believes that procedure was not correctly followed in the making of the TSF decision, then the customer will be able to make

representations through the council's corporate complaints scheme or seek a judicial review of the decision.

- Complaints should be made in writing, providing full details of the reasons for the complaint, to the Complaints Team, Civic Centre, Castle Hill Avenue, Folkestone, Kent CT20 2QY or online: www.folkestone-hythe.gov.uk/your-council/council-information/make-a-complaint-or-compliment.
For judicial review independent legal advice should be sought.
- In exceptional circumstances only the relevant Managers and Team Leaders may extend all the above time periods for review as appropriate. For an extension of the time limit to be considered the customer will be required to provide valid reasons for the delay.

15. Fraud

- 15.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.
- 15.2 An applicant who tries to fraudulently claim a Tenant Support Fund payment by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.
- 15.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

16. Complaints

- 16.1 The Council's Complaints Procedure (available on the Council's website) will be applied in the event of any complaint received about the application of this operational procedure.

17. Operational Procedure review process

- 17.1 This operational procedure will be reviewed in line with any changes in legislation and as a minimum on an annual basis. Minor alterations to the guidance will be approved by the Folkestone & Hythe District Council Director of Housing and Operations in consultation with the Cabinet Member responsible for Housing. Any substantive alterations to the content of the operational procedure will be approved by the Council's Corporate Leadership Team.
- 17.2 The Council will monitor and evaluate the monetary awards under the TSF each quarter as part of the Housing Revenue Account budget monitoring and reporting process.

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