

**Folkestone & Hythe
District Council
Crisis & Resilience Fund
Policy**



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1.0 Introduction

- 1.1 Discretionary Housing Payments (DHPs) will come to an end in England on 31 March 2026. From 1 April 2026, DHPs will be replaced by the Housing Payment strand of the Crisis and Resilience Fund (CRF) (“The Fund”). The Housing Payment will closely replicate existing DHP guidelines and will adopt a phased transition over the 3-year funding period.
- 1.2 The Crisis and Resilience Fund (CRF) (“The Fund”) has been made available to local authorities (LAs) in England to support low-income households who encounter a financial shock and to support activity that builds individual and community financial resilience. This funding covers the period of 1 April 2026 to 31 March 2029 inclusive (“The Fund Period”). This includes specified funding for housing support. As with the rest of The Fund, the Housing Payment element will commence from April 2026 and replaces Discretionary Housing Payments (DHPs).
- 1.2 The CRF is a consolidated revenue grant that will be delivered through the Local Government Finance Settlement from the financial year ending (FYE) March 2027. The Ministry of Housing, Communities and Local Government is providing funding to Authorities under Section 31 of the Local Government Act 2003, to administer The Fund.
- 1.3 The majority of CRF Housing Fund awards will provide short term support recent welfare reform changes and should never be considered as a permanent solution. They are an emergency fund to be used to alleviate hardship to allow claimants time to find alternative solutions to their shortfall in income.
- 1.4 The availability of CRF will be actively promoted by the benefits service and the council will do everything possible to make it easy for potential beneficiaries of Discretionary Housing Payments (DHPs) to apply for them.
- 1.5 The full Government guidance was published on 13 January 2026:

www.gov.uk/government/publications/crisis-and-resilience-fund-guidance-for-local-authorities-in-england-1-april-2026-to-31-march-2029

2.0 Background

- 2.1 The primary objective of The Fund is to both provide a safety net for those on low incomes who encounter a financial shock and to invest in building local financial resilience to enable individuals and communities to better deal with crises in the long-term, reducing crisis need.
- 2.2 A number of factors can contribute to, or impact, financial resilience. These can include:
 - income, savings and debt
 - housing insecurity

- physical disability, learning disability, mental health condition or wellbeing
- caring responsibilities
- financial literacy
- digital exclusion
- community support and social networks
- access to income smoothing tools, such as affordable credit and insurance.

2.3 The Fund will focus on three main outcomes:

- Provision of effective crisis support
- Improving individuals' financial resilience
- Bolstering the local-level support landscape

2.4 Authorities must allocate the CRF funding across the following CRF components:

- a) Housing Payment
- b) Crisis Payment
- c) Resilience Services
- d) Community Co-ordination

2.5 For the period 1 April 2026 to 31 March 2028 Folkestone & Hythe District Council will receive funding directly for housing payments only. From Year 3 onwards, Unitary Authorities (and County Councils that continue to operate in the FYE March 2029) will receive allocations for Housing Payments. All other funding will be allocated by Kent County Council.

2.6 The Council must operate a Housing Payment scheme that accepts applications continuously throughout the year. In guidance it states that this must be called a 'Housing Payment' scheme.

2.7 Whilst CRF Housing Fund awards for rent in advance or deposits will be considered on their own merits as Folkestone & Hythe District Council operates a rent deposit scheme it would only be in exceptional circumstances that such a payment would be considered where this is applicable.

HOUSING FUND PAYMENTS

3.0 Eligibility

3.1 The Housing Payment provides financial support towards housing costs and is paid by Folkestone & Hythe District Council when the Council is satisfied that an applicant requires further financial assistance with housing costs. These payments can be made to claimants who are entitled to either:

- Housing Benefit (HB); or
 - Universal Credit (UC) housing element (this includes Shared Ownership properties which carry a rental liability); *and*
 - have a rental liability; *and*
 - require further financial assistance with housing costs.
- 3.2 Entitlement refers to individuals who are in receipt of, or qualify for, one of the benefits outlined in paragraph 3.1 but have not yet received payment.
- 3.3 The main features of the scheme are:
- The scheme is purely discretionary, and a claimant does not have a statutory right to a payment.
 - Every year the Government allocate an amount that can be paid out by each local authority in any financial year. Folkestone & Hythe District Council is able to pay additional money, but this must be funded from its own finances. Folkestone & Hythe District Council will endeavour to ensure this amount will not exceed the budget that has been agreed by the full council.
 - The administration of the scheme is for the local authority to determine.
 - CRF Housing Payments are not a payment of Housing Benefit (HB).
- 3.4 The types of shortfalls CRF Housing Fund can cover are:
- Reductions in HB or UC as a result of local housing allowance restrictions.
 - Rent Officer restrictions.
 - Rent shortfall to prevent a household becoming homeless whilst alternative options are explored.
 - Reductions in HB or UC where the benefit cap has been applied.
 - Reductions in HB or UC for under-occupation in the social rented sector
 - Non-dependant deductions.
 - Income tapers.
- 3.5 Housing Payments may be made where the requirement for financial assistance does not arise from:
- Ineligible Service Charges as specified in [Schedule 1 of the Housing Benefit Regulations 2006](#) or [Schedule 1 to the Housing Benefit \(Persons who have attained the qualifying age for state pension credit\) Regulations 2006](#) or, for UC, a service charge not listed in [Schedule 1 paragraph 7 of the Universal Credit Regulations 2013](#)
 - Increases in rent due to outstanding rent arrears as set out in [Regulation 11\(3\) of the Housing Benefit Regulations 2006](#) and [Regulation 11\(2\) of the Housing Benefit \(Persons who have attained the qualifying age for state pension credit\) Regulations 2006](#)
 - Sanctions and reductions in benefit as specified under regulations 100 to 114 of the Universal Credit Regulations 2013 or due to a breach of a community service order
 - Shortfall caused by HB or UC overpayment recovery

- Benefit suspensions where there is doubt about entitlement or because a claimant has failed to supply information pertinent to their claim as specified in section 21, 22 or 24 of the [Social Security Act 1998](#) or section 68 of, and paragraphs 13 and 14 of Schedule 7 to, the [Child Support, Pensions and Social Security Act 2000](#)

3.6 When the Housing Payment is being considered for rent costs, it should not exceed the weekly HB or UC Housing element.

3.7 CRF Housing Fund should be seen as a short-term emergency fund. CRF Housing Fund is not and should not be considered as a way round any current or future entitlement restrictions set out within the Housing Benefit or Universal Credit legislation.

4.0 Purpose

4.1 The purpose of this policy is to specify how Folkestone & Hythe District Council will operate the CRF Housing Fund scheme; to indicate some of the factors that will be considered when deciding if a CRF Housing Fund payment can be made and to provide guidance on period of awards and repeat claims.

4.2 It is important to note that whilst this policy details the basic principles that Folkestone & Hythe District Council will follow when considering an application, CRF Housing Fund is a discretionary scheme and each individual case will be considered on its own merits, in accordance with Government guidance.

4.3 Folkestone & Hythe District Council is committed to working with the local voluntary sector, social landlords and other interested parties in the district to maximise entitlement to all available state benefits and to ensure that all customers are treated equally and fairly, this will be reflected in the administration of the CRF Housing Fund scheme.

5.0 Claiming a CRF Housing Fund payment

5.1 A claim for CRF Housing Fund must be made in writing, including email and online forms. Where a CRF Housing Fund enquiry is made, either verbally or in writing, and it is identified that the customer meets the basic criteria for making a successful CRF Housing Fund claim the customer will be invited to complete an online application. A home visit will be made to those customers who have mobility problems and are unable to access our offices or online services.

5.2 The Council Tax, Benefits & Welfare service may request any reasonable evidence in support of an application. The Council will ask for the latest bank statements for all accounts held to help make a decision. If this information is not provided an award will not be paid. The Council will also ask for details of other payments that do not impact upon a benefit awards, such as child maintenance payments. If additional information is required, the customer will be given one month to provide the outstanding evidence. Where possible a

reminder for outstanding information will be sent after 14 days. If the customer is unable to provide the required evidence the Council Tax, Benefits & Welfare service will consider the application taking into account any other available evidence held by the Council Tax, Benefits & Welfare service. If the customer has no valid reason for failing to supply the required evidence an award will be refused.

- 5.3 The Council Tax, Benefits & Welfare Service reserves the right to verify any information or evidence provided by the customer.

6.0 Matters for consideration

- 6.1 In considering whether to make a CRF Housing Fund the customer's financial situation will be looked at. Some other factors that may be considered are:

- The extent of the shortfall, including whether the claimant has capital or disregarded income which can be used to meet it, or whether anyone else is able and willing to help meet the shortfall?
- Is there a real risk of eviction because of the shortfall, or will the landlord accept a reduced payment?
- If the claimant has recently taken up the tenancy, did they make enquiries about how much benefit they could be expected to get prior to taking up the tenancy?
- What steps has the claimant taken to try to reduce their rental liability?
- What steps has the claimant taken to alleviate the problem?
- Does the claimant, or anyone in the household, suffer from a health problem, illness or disability, which means that their choice of housing is restricted?
- Has the property been adapted to accommodate the needs of a disabled person? If yes consideration should be given to the cost effectiveness of the claimant moving to cheaper alternative accommodation which would then need adaptation.
- Does the claimant have other debts to pay, which make meeting the shortfall more difficult? CRF Housing Fund awards are not to be provided to pay off other debts. The date the debts were incurred is relevant, particularly where loan agreements were entered into while the rent is being restricted. Claimants should take some responsibility for the level of their debt, and the amount they can afford to repay from their benefit or wages.
- If the claimant has debts, have they taken advice on how to manage them effectively?
- Does the claimant, or anyone in the household have any unusual or unusually large expenses which make it harder than normal for them to meet the shortfall? (e.g. frequent travel to hospital)
- Has there been a change of circumstances, which makes it more difficult to meet the shortfall?
- Could the claimant reduce other outgoings so that they can meet the shortfall?

- Is this a repeat request for an award? If it is, what steps has the claimant taken to try to alleviate the problem since the last application?
- Is the situation short term?
- If the application is successful, what steps does the claimant plan to take during the payment period to alleviate their position in preparation for when the payment ends.
- If the application is for a deposit or rent in advance –
 - Why is the claimant moving?
 - Are they due to have a deposit or rent in advance in respect of their existing tenancy returned to them?
 - If yes, can the returned deposit or rent in advance be used for the new tenancy?
 - Have they received or made enquiries about receiving assistance from the Local Authority through a rent deposit guarantee scheme or similar?
 - Is the property they are moving from affordable?
 - Is the property they are moving to affordable?

This list is not exhaustive, and awards are at the discretion of the Local Authority.

- 6.2 When considering affordability for awarding a CRF Housing Fund in respect of a deposit or rent in advance the appropriate Local Housing Allowance (LHA) rate should be referred to. To be affordable the property should be at or below the LHA rate.
- 6.3 Rent in advance and deposit payments is a significant cost to those moving home. Assistance may be provided by CRF Housing Fund where it will assist the applicant secure long- term affordable accommodation where there is a significant risk of homelessness or ongoing financial hardship. The Council must be satisfied there is a genuine need to move and there are no other means available to pay the required rent in advance or deposit to secure the tenancy.
- 6.4 It is expected that applicants would usually be engaged and supported by the council's Housing Options team in order to access support under this part of the scheme. Because of the high monetary value of rent in advance and deposit awards it is recognised that this will place a high level of pressure on the CRF Housing Fund.
- 6.5 Rent in advance will only be award at the appropriate LHA rate and for a maximum of one month.
- 6.6 Awards will be limited to households identified as in priority need and where rents are in line with the maximum rent which can be paid under HB and UC schemes for the particular circumstances of the households, and is affordable.
- 6.7 If the claimant is currently residing outside of The Folkestone & Hythe District Council area and makes an application for rent in advance and/or deposit, the

claimant will be referred to their existing Council for CRF Housing Fund and not given an award by Folkestone & Hythe District Council.

- 6.8 If a CRF Housing Fund or DHP award has been awarded for a previous property for rent in advance or deposit it is unlikely that a subsequent award will be made.
- 6.9 CRF Housing Fund can be used to assist those customers with a shortfall in their rent caused by welfare reform changes. However, it should be noted that this additional help is for a transitional period and generally will only be paid in the short term. Whilst CRF Housing Fund can be awarded to allow further time for the customer to seek a solution it should not be seen as a way round the changes in legislation or as a long-term solution. It is important to recognise the government's intention in restricting LHA rates, capping benefit entitlement and seeking to keep rents at an affordable level by not actively assisting customers to move to accommodation that is not affordable in the long term.
- 6.10 Customers will be required to supply details of all of their income, capital and outgoings and the amounts will be used to establish their ability to fund any shortfall in rent, deposit or rent in advance. Where a special need is identified an additional amount may be allowed at the discretion of the officer making the decision. CRF Housing Fund will not be awarded where there is excess income or capital sufficient to cover the shortfall in rent, the deposit or rent in advance.
- 6.11 Under the Renters Rights Act 2025 which comes into effect from 1 May 2026 accepting rent in advance prior to signing a tenancy will be a prohibited payment. A landlord can only accept a rent in advance payment after the tenancy has been signed by the landlord/agent and tenant, but before the tenancy commences (the pre-tenancy period). **The rules of the pre-tenancy period do not apply to social and supported housing or when the tenancy was agreed by a local council to meet a homelessness duty.**
- 6.13 A Housing Payment can be awarded in respect of two homes when someone is treated as temporarily absent from their main home. This includes those who have fled their main home because they are a victim of domestic abuse. Further information can be found in the [Housing Benefit Regulations 2006 \(S.I. 2006/213\)](#) or [Universal Credit Regulations 2013 \(S.I. 2013/376\)](#) for the time restrictions on these provisions. In such cases of temporary absence, if the claimant is treated as liable for rent on both properties and, in both cases, there is a shortfall, it is possible to award a Housing Payment in respect of both properties subject to the weekly or monthly limit on each property.

7.0 Period of award

- 7.1 The Council Tax, Benefits & Welfare service will decide the length of time for which a CRF Housing Fund will be awarded based on the known facts and evidence supplied.

- 7.2 The start date of a CRF Housing Fund award will usually be:
- The Monday after the council receives the application, or
 - The date on which entitlement to HB/UC commenced, providing that the CRF Housing Fund claim is made within one month of the customer being notified of the HB/UC decision, or such reasonable extension of time as officers may consider appropriate in the particular circumstances of the case, *or*
 - The Monday after a relevant change in circumstances giving rise to the need for the CRF Housing Fund.
- 7.3 A CRF Housing Fund award shall not be awarded for any period for which the customer has no entitlement for HB or UC and a rental liability.
- 7.4 In the case of a lump sum a CRF Housing Fund can be awarded for a rent deposit or rent in advance for a property that the claimant is yet to move in to if they are already entitled to HB or the housing element of UC at their present home.
- 7.5 In the case of rent arrears applications, arrears of more than 3 months will not normally be considered, and any arrears payments would be dependent upon being impacted by welfare reform. In most cases a notice seeking possession will need to be issued to consider an arrears award.
- 7.6 Apart from deposits for rent in advance the minimum period for which a CRF Housing Fund may be awarded is one week.
- 7.7 The Council Tax, Benefits & Welfare service may set a review date for a CRF Housing Fund award which may coincide with the end of the benefit period for the regular HB/UC claim. If appropriate, officers will review a CRF Housing Fund award earlier than the end of the benefit period.
- 7.8 The Council Tax, Benefits & Welfare service may need to revise or revoke a CRF Housing Fund award where the customer's circumstances have materially changed. It is the customer's responsibility to notify the council as soon as any change occurs. Any amendment to the claim will be effective from the date of change.
- 7.9 On review the Council Tax, Benefits & Welfare service may decide to repeat, terminate, increase or decrease the award. However, it must be emphasised that the Council Tax, Benefits & Welfare service considers CRF Housing Fund as a short-term emergency fund to give a customer time to resolve their financial situation or seek alternative, cheaper accommodation and will not normally make payments of CRF Housing Fund for a total period longer than 8 weeks. Exceptions to this rule, for example, are where a customer is affected by the under-occupation in the social sector restriction and the property has been significantly adapted for a disability. In this case consideration should be given to whether it is more cost effective to enable tenants to live in their current accommodation with CRF Housing Fund

support rather than moving into smaller accommodation which would then need to be adapted.

- 7.10 In exceptional circumstances the Council Tax, Benefits & Welfare service will consider a request for backdating a CRF Housing Fund claim, but such backdating will not usually be extended for more than 3 months before the date on which the council receives the customer's request for backdating.

8.0 Change of circumstances

- 8.1 Applicants must notify the Authority of any changes which may be relevant to the Housing Payment application or award within one month of the change. This can be done by completing a change of circumstances form, emailing or telephoning the Council.

9.0 The decision

- 9.1 Once all information required to make the decision is supplied any specific circumstances will be recorded and considered when making the final decision.
- 9.2 The Council Tax, Benefits & Welfare service aims to make a decision on applications for CRF Housing Fund within 48 hours of receipt of the application and all required supporting documentation and evidence. Claimants will be notified in writing of the outcome and the notification letter or email will state the reasons for the decision.
- 9.3 Where the application is successful the notification will advise:
- The weekly amount of CRF Housing Fund awarded.
 - The period of the award.
 - How, when and to whom the CRF Housing Fund will be paid.
 - The requirement to report any relevant change.
 - A reminder that CRF Housing Fund should be seen as a short-term fund.
- 9.4 All notifications of decisions on CRF Housing Fund claims will offer the opportunity for the customer to seek review.

10.0 The right to seek a review

- 10.1 CRF Housing Fund awards are not payments of Housing Benefit and are therefore not subject to the statutory appeals mechanism. A decision on a CRF award does not carry a right of appeal to a Social Security Tribunal.
- 10.2 The Council Tax, Benefits & Welfare service will operate the following policy for dealing with appeals against any decision on a claim for CRF Housing Fund:
- A claimant, or person nominated by the customer to act on their behalf, who disagrees with a CRF Housing Fund 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 Council Tax, Benefits & Welfare Service within one month of the written decision about the CRF Housing Fund 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 from the Council Tax, Benefits & Welfare service will explain the CRF Housing Fund 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.

- 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 CRF Housing Fund 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 Council Tax, Benefits & Welfare 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.

11.0 Method of payment

- 11.1 The Council Tax, Benefits & Welfare service will decide on the most appropriate person to pay, the method and time of payments, based on the particular circumstances of each case.
- 11.2 Where CRF Housing Fund is awarded in respect of Council rental liability any CRF Housing Fund will be credited to the relevant housing rent account.
- 11.3 Where CRF Housing Fund is awarded as a lump sum payment for rent in advance or a deposit payment will usually be made direct to landlord.

12.0 Overpayments

- 12.1 The Council Tax, Benefits & Welfare service will seek to recover any CRF Housing Fund award found to be overpaid. Normally this will involve issuing an invoice to the customer or the person to whom the award was paid. Recovery will not be made from any amounts of Housing Benefit due to the

claimant (except if the customer specifically requests this method of recovery). The decision letter that notifies a decision that there is an overpayment will also set out the right of review.

- 12.2 Once a CRF Housing Fund award has been made to a claimant for rent in advance or a deposit and used for that purpose legislation does not provide for it to be refunded.

13.0 Monitoring

- 13.1 All CRF Housing Fund payments will be recorded on the relevant claim on the Council's computer system.
- 13.2 Total CRF Housing Fund expenditure will be monitored monthly by the Council Tax, Benefits & Welfare Manager and Team Leaders and verbally reported to the Head of Finance. The Council Tax, Benefits & Welfare Manager and Team Leaders will extract reports from the CRF Housing Fund software monthly to ensure that expenditure is within budget and is correctly profiled throughout the financial year.
- 13.3 A random sample of decisions will be checked for fairness and consistency monthly by a Council Tax, Benefits & Welfare Team Leader. All checks will be recorded on the quality check spreadsheet.
- 13.4 All claims for CRF Housing Fund will be treated equally and fairly in accordance with Folkestone & Hythe District Council's policies on race, diversity and equality. Folkestone & Hythe District Council will endeavour to ensure that no-one who applies for CRF Housing Fund receives less favourable treatment on the grounds of any irrelevant consideration including age, disability, gender, religious beliefs, marital status, nationality, race or sexual orientation.

14.0 Fraud

- 14.1 Folkestone & Hythe District Council is committed to the fight against fraud in all its forms. A customer who tries to fraudulently claim CRF Housing Fund 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 or the Fraud Act 2006.
- 12.2 Where the Council Tax, Benefits & Welfare service suspects that such a fraud may have occurred, the matter will be investigated as appropriate, and this may lead to criminal proceedings being instigated.
- 12.3 In determining any CRF Housing Fund application, Folkestone & Hythe District Council may consider any previous evidence of proven abuse of the Housing Benefits or Council Tax system prior to considering an award.

15.0 Equalities

15.1 The Council is committed to delivering a service that is accessible and fair to all of the communities that it serves and ensuring that all people are treated with respect and dignity. The Equality Act 2010 sets out an “Equality Duty” to:

- eliminate discrimination, harassment and victimisation;
- promote equality of opportunity between different groups in the community; and
- foster good relations within the local community.

15.2 The Council gives careful consideration to equality issues in new and existing policies, strategies, and services to see what effect they will have on different groups within its communities, including those with protected characteristics. The protected characteristics covered by the Equality Duty are:

- age;
- disability;
- marriage and civil partnership (but only in respect of eliminating unlawful discrimination);
- pregnancy and maternity;
- gender reassignment;
- race – this includes ethnic or national origins, colour or nationality;
- religion or belief – this includes lack of belief;
- sex (gender);
- sexual orientation

15.3 The Council also recognises that socio-economic status can be a significant barrier to equality of opportunity.

16.0 Publicity

14.1 Folkestone & Hythe District Council wishes to publicise the availability of CRF Housing Fund and will work with all interested parties to achieve this.

17.0 Review

17.1 This policy will be reviewed in line with any changes in legislation and as a minimum on an annual basis. Minor alterations to the policy will be approved by Folkestone & Hythe District Council’s Director of Finance in consultation with the Portfolio Holder responsible for Finance & Governance. Any substantive alterations to the content of the policy will be approved by Cabinet.

March 2026