SP33 Tenancy Sustainment Fund Policy & Procedure

Scope of policy

76% of Soha tenants are in Social Rents set at about 50% of local market rents. A further 24% of tenants are in affordable rents at 80% of local market rents. Soha caps affordable rents if they exceed the Local Housing Allowance. To that effect, all Soha rents are affordable when compared to the maximum housing benefits / UC housing element that a household can claim (Feb 26).

Government policies leave many households unable to afford some of our rents, especially affordable rents. If a household cannot afford a housing association rent, then we must ask what rent could they afford and is it fair for Soha to end their tenancy for non-payment? Those most likely to be affected are households who have been affected by the benefit cap; been affected by the bedroom tax; failed a Habitual Residency Test; are deemed to have disposed of capital (e.g., repaid an informal loan or funded an addiction) or are otherwise sanctioned by the DWP, as well as those whose earnings just lift them out of benefits as they start to be taxed (the ‘poverty trap’).

Currently, local authorities can make an award of Discretionary Housing Payments (DHP) to provide financial support for claimants of Housing Benefit or Housing Costs Element of Universal Credit (DHP is not payable to people not entitled to benefits). These are for those who are deemed to be in severe financial hardship or have exceptional circumstances and need further assistance to meet their housing costs. Discretionary Housing Payments are paid from a limited budget, and assessed on the extent that a Discretionary Housing Payment can be used to assist the applicant. Not all Soha tenants are successful in claiming DHP and Soha wants to provide a further safety net to tenants who need to bridge the gap between arrears growing and finding a solution to the hardship issue they are facing. Councils’ DHP budgets can now be accessed by people in arrears with council tax and mortgages, further stretching a limited resource.

Aim

Soha tenants can be placed into unaffordability issues by the benefit cap, bedroom tax, Habitual Residency Test, and/or DWP sanctions. Furthermore, tenants can enter hardship through sudden changes to their health or wellbeing such as trauma, bereavement, or having mental health challenges, and are normally not eligible for backdated benefits.

a. Benefit Cap – when the household has their housing benefit ‘capped’ to stay within an overall annual cap of £20,000 per household.
b. Bedroom Tax – when the household has benefits reduced by 14% if they under-occupy by one bedroom and 25% if they under-occupy by two bedrooms or more.
c. Habitual Residency Test / immigration control – EEA & Swiss nationals can currently claim benefits in the UK but need to pass certain tests first. These can include the right to reside, viability tests, and/or settled status. In addition, non-

EEA nationals can only claim benefits in certain cases. Many UK welfare benefits are defined as 'public funds' and would only be available to non-EEA nationals with indefinite leave to remain, or another protected status such as refugee.

d. DWP sanctions – in return for claiming UC, a claimant will agree to do certain things such as signing a claimant agreement to seek work, attend meetings with the DWP etc. Sometimes, people are sanctioned through no fault of their own such as poor health, lack of transport or sudden loss of capital. Claimants can make a hardship application, but this is a loan from the DWP.
e. Loss of income from entering and leaving benefits regularly, or from DWP assuming income that is higher than real income. This is particularly relevant to self-employed claimants who DWP assume a level of income for regardless to proven income.
f. Sudden change in circumstances owing to trauma, bereavement, or mental health challenges can lead to arrears growing while a tenant is unable to manage their rent account.
g. 'Poverty Trap' – some working tenants are on low incomes, and find that they earn just enough to no longer be able to claim benefits, while starting to pay tax and NI. This can affect their income and make them feel less well off, while not being able to access DHP or other help. [1]

Policy Statement & Implementation

WHO CAN APPLY?

Claims to the Soha Tenancy Sustainment Fund can be made by a Housing Services Manager, an Income Officer, or a Tenancy Sustainment Officer in partnership with our tenant. Claims will only be made for Soha tenants. Soha does also have a hardship fund that can support non-tenants with smaller funds in an emergency (e.g., rough sleeping).

HOW TO APPLY

Soha operates a simple digital application (via QL) for staff to use in partnership with tenants in hardship. Approval will be by Head of Service up to £5,000 and Director if over £5,000 (to align with Soha's Financial Regulations).

This application will include:

1. All tenancy & household details including any vulnerabilities.
2. Support Agencies involved with household.
3. Income & Expenditure Assessment
4. Amount of Claim plus timescale required.
5. Current Rent amount plus maximum benefits payable / shortfall
6. Current Arrears & any legal action from Soha
7. Details of previous DHP applications and success of them
8. Details of benefit applications and success of them
9. Overarching reason for claim
10. Action Plan to remove causes of hardship (e.g., move to smaller accommodation, back to work support, etc)

[1] The Universal Credit 'taper' is 55%. Basic tax is 20% and NI is 8%. Low earners can have an effective tax rate of 83% on that basis.

Soha approval criteria will be to counter:

1. reductions in benefit due to the ‘bedroom tax’.
2. reductions in benefit where the benefit cap has been applied.
3. reductions in benefit as a result of LHA restrictions.
4. Housing cost contributions from non-dependants reducing benefit.
5. rent shortfalls to prevent a household becoming homeless while Soha/ the local authority seeks alternative options.
6. removal of the family premium.
7. any other policy changes that limit the amount of benefit payable through no fault of the claimant.
8. Approval will be granted where an achievable Action Plan has been agreed with the tenant.
9. Where arrears have arisen following trauma, bereavement, or health challenges that stopped the tenant being able to manage their rent account.
10. Where arrears have arisen in households with low incomes, not eligible for state benefits, who are engaging with Soha but cannot clear their arrears realistically.
11. Where people need to reduce arrears to below £500 in order to move through Choice Based Lettings, and that move would alleviate financial hardship.

Our Tenancy Sustainment Fund has the following key objectives:

1. To prevent homelessness by sustaining tenancies.
2. To help people who have demonstrated they need additional financial support on account of medical grounds or on grounds of disability to meet their housing costs.
3. To help people through personal crisis or difficult events who are facing severe financial hardship.
4. To help people who are deemed to be facing severe financial hardship or difficult circumstances, as a result of the wider welfare reform changes.
5. Awards will be payable directly to the rent account by Soha. Awards are not payable to the tenant although they can also apply to the Soha Hardship Fund.
6. Awards are made as a grant and are not required to be repaid by the tenant.
7. . Normally, awards will not exceed 6 months of whole rental charge in a 12-month period unless a director grants approval.
8. Soha will regularly monitor the rent account, action plan and any changes in circumstances to ensure the award is still appropriate and relevant. Overpayments or payments made in good faith that should not have been made (e.g., misleading information given, fraudulent activity) will be reclaimed from the rent account.

The Head of Housing will monitor the Tenancy Sustainment Fund budget on a monthly basis. The Head of Housing will alert Directors and SLT should an overspend be predicted in order that a decision can be made on adjusting the budget.

Resident Involvement

Members' Forum approved the policy. Involved tenants review and approve all eviction requests and can recommend TSF if not already considered.

Appeals

Appeals will be handled via the Soha Complaints Policy and overseen by a SLT member.

Fraud – a Soha tenant attempts to gain a payment through the fund, which they should not be entitled to. The fund will not be advertised and is only accessible by Soha colleagues. Payment to the fund will be to the rent account, tied to an action plan, and will follow a thorough assessment of the tenant's financial situation including details of failed benefits claims as well as failed DHP claims. This will give a triangulation of a tenant's financial situation at separate times.
Fund receipts treated as income by Benefits Authority – if Soha makes 'top up' rent payments on behalf of one of our tenants, it could be treated as income by the council / DWP. Schedule 5 of the Housing Benefit Regulations (2006) only allows for discretionary payments by "relevant authorities approved by the Secretary of State". However, if the payment is ad-hoc and made as a "one off payment" it is treated as capital and not income. This will then not negatively affect our tenant's benefits entitlements. This position has been clarified with Capsticks and South & Vale Housing Benefit department. Repeat claims – Soha makes a payment to a tenant, but the tenant is unable to improve their situation before fresh arrears arise. Soha will create an action plan with all tenants in receipt of a Tenancy Sustainment Fund payment. This will enable Soha staff to support the tenant in moving to a cheaper property, gaining employment, or claiming unclaimed benefits.

Responsibility

Director of Housing & Communities.

Monitoring and review

Funds awarded under the policy will be notified to the Board at least annually. This policy will be reviewed at least every three years.

Context

SP04 Rental Income Policy
SP07 Complaints Policy & Procedure

Version Number - 3			
Members' Forum approved	14 May 2026	SLT approved	25 March 2026
EIA completed	3 March 2026	Review due date	By March 2029
DPIA Checklist completed	6 August 2026		