

Meeting: Finance Sub-Committee

Date: 20 January 2016

Title: Welfare Reform - Financial update on Discretionary Housing Payments Fund, Local Council Tax Support Scheme and Local Welfare Provision Scheme.

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Service: Finance Service

Wards affected: All

1. Purpose of the Report

1.1 Reports have been presented to Finance Sub Committee on a quarterly basis throughout 2013, 2014 and 2015. This report provides a further update on the three schemes that were implemented or revised as a consequence of the welfare reform changes in 2013. The schemes being reported on in this report are:

- Discretionary Housing Payment Fund,
- Local Council Tax Support Scheme, and
- Local Welfare Provision Scheme.

2. Recommendations

2.1 Finance Sub Committee are asked to note the content of the report.

3. Detail

3.1 Discretionary Housing Payment Fund

3.2 The Discretionary Housing Payment (DHP) fund provides much needed support to people in financial need who have a shortfall between their Housing Benefit and rent liability or who require help with the moving costs to more affordable accommodation. We promote the scheme well with our partners and we continue to see a high demand of claims made to it.

3.3 We are working closely with the Citizens Advice Bureau and have recently introduced a new process that refers, as appropriate, claimants requesting a DHP to the CAB who provide budgeting and debt advice from the onset of the DHP claim. This ensures that claimants receive comprehensive advice and support as soon as a need is identified rather than just providing financial support from the DHP fund. It is hoped that by CAB working with individuals from an early stage that the need for DHP support will diminish as their financial circumstances improve, and in turn reduce demand on the fund longer term. Early feedback from the CAB suggests that this approach is working well and claimants are taking up the support offered.

The following data shows claims made to the DHP fund for 2015/16 as at 31 December 2015

3.4 Outstanding claims

There are 42 DHP claims for 2015/16 outstanding to be assessed.

3.5 Assessed Claims

- 406 claimants were unsuccessful in their application
- 829 claimants were successful in receiving an award of DHP

3.6 The reason for awards

- 20 claimants have custody of children (2%)
- 33 claimants are living in adapted property (4%)
- 349 claimants are seeking employment (42%)
- 126 claimants require short-term help while they secure alternative accommodation (15%)
- 301 claimants are awarded for other reasons (36%)

3.7 The reason for refusal:

Refusal is either because the claimant's capital is above the threshold, the claimant having enough income to meet the shortfall between rent level and benefit awarded themselves, or there being no shortfall to cover.

3.8 Of those paid a Discretionary Housing Payment:

- 547 are Council tenants (66%)
- 282 are privately rented tenants (34%)

3.9 Requested Reviews of decisions

- There are 5 requests for a review of their DHP decision outstanding; 109 reviews carried out which resulted in 83 unchanged decisions and 26 changed in the favour of the claimant.

3.10 Funding

- The funding is monitored on a regular basis, to ensure that sufficient funding is still available to meet demand. As at 31 December 2015 the funding data is as follows:

		% of total DHP budget
Original Fund - DWP funding only	£406,414	
Actual paid to date	£347,416	
Committed until end of March 2014	£48,914,	
Total of actual spend and committed spend	£396,330	
Remaining DWP fund available	£10,084	2.48%

- 3.11 The DHP policy is reviewed on an annual basis by the Mayors Task Group which is made up of a number of our partner organisations from the community and voluntary sector. The review ensures that it continues to target those that are most in need and by involving the community and voluntary sector in the review we ensure the policy provides a wider view of the criteria for entitlement. There is growing concern that the current demand continues to be greater than funding available which is why the referral process to CAB was introduced in the hopes that in the longer term tenants will become more financially able to manage shortfalls going forward.
- 3.12 In the Governments summer budget there was the announcement that additional DHP funding would be provided going forward, however we have yet to be notified of the funding for 2016/17.

Local Council Tax Support Scheme

- 3.13 The Council Tax Support Scheme which replaced Council Tax Benefit in April 2013 continues to provide support on a means tested basis and helps those on low income pay their Council Tax. The maximum amount of support that can be provided currently is 93% of the claimants Council Tax liability. The number of claimants to the scheme continues to reduce and has done since April 2013.
- 3.14 As at the end of November 2015 the number of claimants to the scheme has reduced to less than 20,488 split between 10,882 working age and 9,606 pensionable age compared to 21,000, at the end of April 2015.
- 3.15 As at end of November 2015 the amount of Council Tax Support awarded to claimants since 1 April 2015 was £14,970,567.
- 3.16 Council Tax in year collection continues to hold up with an overall in year collection rate of 96.4% (Long term collection rates are still estimated at 98.5%). This is against a collection rate of 96.9% in the year prior to Welfare Reforms (2012/2013) and changes to exemptions and discounts which we know must have placed financial burdens on households. The current estimate of in year Council Tax collection in 2015/16 shows a matched level to that of 2014/2015. We continue to work closely with all residents who have difficulty in paying, offering flexible payment arrangements and arranging access to debt advice and budget management where required. Additional CAB outreach sessions in community venues have been funded to ensure residents have easy access to advice on debt and benefit entitlements. We can arrange appointments for these sessions through our Customer Service and libraries which promotes easy accessibility. There is good take-up of these sessions and we review these regularly to ensure that they are placed where greatest demand. There is also a telephone advice line with CAB to provide residents with help who do not want or need face to face advice, and additional email contact is also provided.
- 3.17 There continues to be minimal adverse reaction to the scheme, and there have been no appeals to the Appeals Tribunal regarding the scheme.
- 3.18 The scheme is reviewed on an annual basis and a report to Cabinet has been presented on 14 September 2015 to start the process of this review. Consultation on potential changes has taken place over a 6 week period and results of this were

presented back to Cabinet on 14 December 2015. Council will make the final decision on 21 January 2016 on what scheme will be put in place from April 2016.

3.19 Local Welfare Provision Scheme

3.20 The Local Welfare Provision Scheme delivered by North Tyneside Council which replaced Community Care Grants and Crisis Loans continues to provide a holistic support to those needing social care, supported housing or financial assistance because they have hit a crisis. The scheme is monitored closely to assess the demand against the resources available.

Statistics for the period 1 April 2015 to 31 December 2015

3.21 There have been 1855 applications for Local Welfare Support.

3.22 All 1855 applications received a full screening. Further advice and information including signposting to our partner organisations was offered where this was appropriate.

3.23 There were 517 crisis applications eligible for further practical support. This included applicants receiving food, utility support, baby items or baby food, or clothing to start work. 3 additional clients were supplied with household items to enable them to set up home.

3.24 Spend on scheme to 31 December 2015 in respect of immediate practical support amounted to £26,000

3.25 Of the applicants who were not provided immediate practical support, a summary of some of the assistance is as follows

- Referrals to Whitley Bay Food Bank
- Liaison to resolve benefit issues with Department for Work and Pensions
- Referrals to a supported housing provider
- Referrals to Citizens Advice Bureau
- Liaison with HMRC for Child Tax Credits
- Working with other community support groups
- Liaison with their bank or employer
- Referral to other Children's Service support
- Referral to Credit Unions

3.26 19 applicants were deemed ineligible for immediate practical support because the team were able to get benefit immediately in to payment for the customer. This action not only immediately resolved the crisis but also helped prevent future difficulties arising. The sum total of these immediate payments was £3,714. This figure is far greater when annualised for future payments, as this amounts to £96,564

3.27 114 people in the period contacted the service because their benefit had been sanctioned and a further 59 because a change in circumstances meant that claims were disrupted whilst a new claim was assessed or processed.

4. Background Information

The following background documents have been used in the compilation of this report and are available from the author:-

- HB S1/2015 – Details of the government contribution towards DHP for local authorities in 2015/16
- Discretionary Housing Payment Policy (DHP) 2015/16