

Meeting: Finance Sub-Committee

Date: 18 October 2017

Title: Welfare Reform - Financial update on

- **Discretionary Housing Payments Fund**
- **Local Council Tax Support Scheme**
- **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 since 2013. This report provides a further update on the three schemes that were implemented or revised as a consequence of ongoing welfare reform. 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

Discretionary Housing Payment Fund

3.1 The Discretionary Housing Payment (DHP) fund provides much needed support to people in financial need who have a shortfall between their Housing Benefit (or Universal Credit housing element) 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.

3.2 We are working closely with the Citizens Advice Bureau (CAB) and where appropriate we refer DHP claimants to CAB where we feel they may benefit from their advice. Feedback from CAB advises that the process is working well and customers are engaging with support offered. This ensures claimants receive budgeting and debt advice from the onset of the DHP claim, rather than just financial support. 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.

- 3.3 We continue to work closely with housing providers and the Community and Voluntary Sector to ensure that DHP is targeted to those that are in need and as part of that we have been able to help many whose tenancy was at risk because they were in financial difficulty.
- 3.4 The DHP policy is reviewed on an annual basis by the Mayor’s Task Group for Welfare Reform which is made up of officers, Member representation, Union representation and a number of our partner organisations from the Community and Voluntary Sector. The review ensures that DHP continues to be directed to those in most need and stakeholder involvement ensures the policy provides a wider view of the criteria for entitlement.
- 3.5 There is still growing concern felt across all partners that continuing changes introduced by welfare reform in coming years will increase demand and this may outstrip funding available.

Quarter 1 DHP claim data

- 3.6 The following data shows spend for the first half of the financial year (1 April 2017 to 30 September 2017) in Table 2 (DHP Spend) and paragraphs 3.7 to 3.10 gives details of actual claims:

Table 2 – DHP Spend

Original Fund - DWP funding only	£570,266
Total of actual spend and committed	*£257,185
Remaining funding	£313,081

*45% of the DWP fund has been spent and allocated.

3.7 Assessed Claims

- 556 claimants were successful in receiving an award of DHP (76%)
- 177 claimants were unsuccessful in their application (24%)

3.8 The reason for awards

- 12 Claimants have custody of children (3%)
- 30 Claimants are living in adapted property (5%)
- The remain claimants receive a DHP because they advised that they are seeking employment, need short term help whilst they look for alternative accommodation or for other reasons (92%)

3.9 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.

3.10 **Of those paid a Discretionary Housing Payment:**

- 374 are Council tenants (67%)
- 182 are privately rented tenants (33%)

3.11 **Requested Reviews of decisions**

As at 30 September 2017 there were 2 requests for a review outstanding. Since April 2017 we have carried out 15 reviews with 5 changed in favour of the claimant. Generally additional information is provided at the review stage that can often influence a positive outcome for the claimant.

Local Council Tax Support Scheme

- 3.12 The Council Tax Support Scheme continues to provide support on a means tested basis and helps those on low income pay their Council Tax. The maximum amount of support provided for working age claimants for the financial year 2017/18 is 87.5% of the claimants Council Tax liability. This is a reduction in support from 90% which was provided in 2016/17. Pensionable age claimants continue to receive up to 100% support.
- 3.13 The number of claimants to the scheme continues to reduce and has done so since the scheme was introduced in April 2013. As at the end of September 2017 the number of claimants to the scheme has reduced to 18,941 split between 10,273 working age and 8,668 pensionable age claimants.
- 3.14 As at 30 September 2017 the amount of Council Tax Support awarded since 1 April 2017 is £14,645,466.
- 3.15 Council Tax in year collection continues to hold up. We know the reduction in support from 90% to 87.5%, the removal of empty property discounts and the general increase in Council Tax by 5% will have placed a financial burden on claimants. We won't know the effect that this has had on the in year collection rate until the end of the financial year. However we do expect the long term collection rate to be unaffected at 98.5%. We will 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.
- 3.16 Additional CAB outreach sessions in community venues continue to be funded to ensure residents have easy access to advice on debt and benefit entitlements. Appointments for these sessions can be arranged 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 there is greatest demand. There is a telephone advice line offered by CAB to provide residents with help for those who do not want or need face to face advice, and additional email contact is also provided.
- 3.17 We are working closely with CAB and DWP around provision of Personal Budgeting Support (PBS) for those claiming Universal Credit (UC). Referrals are made via jobcentre staff, personal referral or through partner organisations. CAB provides

customers with a holistic approach to financial advice rather than just helping with managing a monthly UC payment. They are working closely with Job Centre Work Coaches and have built a good working relationship ensuring that the referral process is embedded helping residents access support when they need it.

- 3.18 Every year the Local Authority has to consider whether to review or replace the CTS scheme, and in preparation for the review of the CTS scheme we are carrying out consultation on a number of options. The consultation started on 12 September and will end at the beginning of November. The outcomes of the consultation will be presented to Cabinet on the 11 December who will consider whether they would like to propose a change to Council on 18 January 2018.

Local Welfare Provision Scheme

- 3.19 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 July 2017 to 30 September 2017.

- 3.20 There have been 436 applications for Local Welfare Support.
- 3.21 All 436 applications received a full screening. Further advice and information including signposting to our partner organisations was offered where this was appropriate.
- 3.22 There were 207 crisis applications eligible for further practical support (47%). This included applicants receiving food, utility support, baby items or baby food, essential household items, or clothing.
- 3.23 Spend on scheme for the period 1 July 2017 to 30 September 2017 in respect of immediate practical support amounted to £3,347.33
- 3.24 The remaining £36,370 of the £40,185 funding previously made available to 2 local Credit Unions, North East First and Shiremoor Credit Union remains available. This funding allows the council to refer people with poor credit history who would be seen as higher risk customers, the opportunity to access reasonably priced loans. This was a one off funding; customers are charged interest which goes back into the pot of money to be used by other customers. Customers are referred initially to CAB who assess affordability and assist to maximise income and address any outstanding debts into affordable payments. In the period this service has been discussed where appropriate with applicants but no one wanted to proceed with a referral. The team will continue to offer this service.
- 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
- Support from the Salvation Army with vouchers (to be used in their shops mainly for clothing)
- Application for grants

3.26 9 applicants were deemed ineligible for immediate practical support because the team were able to get benefit into payment for the customer. This action not only immediately resolved the crisis but also helped prevent future difficulties arising.

4. Background Information

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

- [Housing Benefit Circular S3/2017 – Details of the government contribution towards DHP for local authorities in 2017/18](#)
- [Discretionary Housing Payment Policy \(DHP\) 2017/18](#)