

Meeting: Finance Sub-Committee

Date: 24 January 2018

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 on-going 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 work closely with the Citizens Advice Bureau (CAB) and refer claimants to them where we feel they may benefit from their advice. This is working well and customers are engaging with support offered. The aim of providing budgeting and debt advice from the onset of the DHP claim, rather than just providing financial support means the need for DHP support may diminish as their financial circumstances improve.

- 3.3 CAB has created a specific team supporting clients who have debt and/or arrears and we have streamlined the way we work with this team so applications are dealt with quicker. CAB also deliver the Personal Budgeting Support (PBS) for Universal Credit (UC) claimants and use this opportunity to identify claimants who may qualify for a DHP. Referrals to PBS are made via jobcentre staff, personal referral or through partner organisations. Claimants are provided with a holistic approach to financial advice rather than just helping with managing a monthly UC payment. They have built a good relationship with Job Centre Work Coaches ensuring that the referral process is embedded helping residents access support when they need it. This delivery model of PBS has been used as an example of good working arrangement in DWP discussions.
- 3.4 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 many have been helped whose tenancy was at risk because they were in financial difficulty, and we are looking at various campaigns/promotions of the fund.
- 3.5 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.

Quarter 1 DHP claim data

- 3.6 Table 1 below - DHP Spend, shows the spend for the first three quarters of the financial year (1 April 2017 to 31 December 2017) and paragraphs 3.7 to 3.10 gives a breakdown in claims:

Table 1 – DHP Spend

Original Fund - DWP funding only	£570,266
Total of actual spend and committed	*£402,617
Remaining funding	£167,649

***71%** of the DWP fund has been spent and allocated.

- 3.7 Assessed Claims
- 746 claimants were successful in receiving an award of DHP (74%)
 - 258 claimants made an unsuccessful claim. (26%)
- 3.8 The reason for awards
- 12 claimants have custody of children
 - 32 claimants are living in adapted property
 - The remaining 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

- 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:
- 468 are Council tenants (63%)
 - 278 are privately rented tenants (37%)
- 3.11 Requested Reviews of decisions
As at 31 December 2017 there were 2 requests for a review outstanding. Since April 2017 we have carried out 25 reviews with 13 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

- 3.13 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.
- 3.14 The number of claimants to the scheme has reduced again in quarter 3 and as at the end of December 2017 the number of claimants to the scheme was 18,811 split between 10,233 working age and 8,578 pensionable age claimants.
- 3.15 As at 31 December 2017 the amount of Council Tax Support awarded since 1 April 2017 is £14,626,839.
- 3.16 Council Tax in year collection continues to hold up but there are a number of changes which may impact on in year collection such as the move from 90% to 87.5% support, removal of empty property discounts and the increase of Council Tax by 4.99%. We will know at the end of the year whether these have made any difference to in year collection. We do however expect the long term collection rate to be unaffected at 98.5%. Residents who have difficulty in paying, are supported through flexible payment arrangements and access to debt advice and budget management where required.
- 3.17 Funding for CAB outreach sessions in community venues continues to be provided and this ensures residents have easy access to advice on debt and benefit entitlements. Appointments for these are easily made through Customer Services and libraries and there is good take-up of these sessions. We review these annually to ensure that they are placed where there is greatest demand. There is also 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.
- 3.16 Every year the Local Authority has to consider whether to review or replace the CTS scheme. Consultation has been completed and the outcomes provided to Cabinet on

11 December 2017. Cabinet have proposed a change to Council on 18 January 2018 that will reduce support from 87.5% to 85% for working age claimants to be effective from April 2018.

Local Welfare Provision

- 3.17 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 October 2017 to 31 December 2017.

- 3.18 There have been 433 applications for Local Welfare Support.
- 3.19 All 433 applications received a full screening. Further advice and information including signposting to our partner organisations was offered where this was appropriate.
- 3.20 There were 190 crisis applications eligible for further practical support (44%). This included applicants receiving food, utility support, baby items or baby food, essential household items, or clothing.
- 3.21 Spend on scheme for the period 1 October 2017 to 31 December 2017 in respect of immediate practical support amounted to £2,725.
- 3.22 The 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.
- 3.23 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

3.24 7 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