

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

9 October 2013

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 WELFARE REFORM UPDATE

This report brings together, for Members' information, the latest updates on the Welfare Reform agenda. At the meeting, Members will also be able to view the 'mapping' data using the Geographical Information System (GIS) to see, graphically, how welfare reform is impacting across the borough.

1.1 Introduction

1.1.1 I have reported regularly to the Finance, Innovation & Property Advisory Board regarding updates to the Council Tax Reduction and Housing Benefit (HB) 'régime' in the lead up to the introduction of Universal Credit.

1.1.2 Members are aware that during the course of this financial year, amongst other things:-

- a new Council Tax Reduction Scheme has been introduced following the cessation of the national Council Tax Benefit Scheme (from 1 April 2013);
- the Social Sector Size Criteria, or 'bedroom tax' as it is better known, has been introduced affecting working-age households in the social rented sector (from 1 April 2013);
- the 'benefit cap' has been introduced affecting working-age households where the occupants are predominantly 'out of work' (from 15 July 2013);
- disability living allowance has been replaced by Personal Independence Payments (PIPs) for those of working age (from 10 June 2013).

1.1.3 Although initially we were anticipating a start date of 1 October 2013, Universal Credit has yet to be rolled out.

1.1.4 In respect of Housing, Members are aware of the impending changes to the Housing Allocations Scheme. These changes will allow for greater priority to be given to local people and families in housing need and enable the Council to

properly target its resources on assessing and meeting those needs. The new scheme also allows greater provision for making the best use of the existing housing stock, by recognising under-occupation as well as housing need.

- 1.1.5 The purpose of this report is to provide an update on the Welfare Reform agenda as a whole, and invite Members to view, at the meeting, the impact of welfare reform across the Borough as 'mapped' on the Council's GIS system.

1.2 Council Tax Reduction Scheme

- 1.2.1 From 1 April, the Council Tax Reduction Scheme (CTRS) replaced Council Tax Benefit. Members will recall the significant consultation exercise that was conducted over the course of summer 2012, following the government's announcement that councils would receive funding equivalent to only 90% of the cost of the (then) Council Tax Benefit Scheme.
- 1.2.2 Following a late transitional grant received from government, the financial 'impact' of the switch to CTRS for working-age claimants - (pension-age claimants are not affected) - was held at 8.5% of the council tax liability for year 1 (i.e. 2013/14) of the Scheme. All other things being equal, in year 2 it is assumed that the impact will increase to 18.5% following the cessation of the transitional arrangement. A detailed report on the Scheme was submitted to the Finance, Innovation and Property Advisory Board on 2 October.
- 1.2.3 The experience so far is that, whilst there has been a rise in the number of council tax reminders and final notices issued during the course of the year following the introduction of the Scheme, the actual collection of council tax has not been significantly affected. This is encouraging, but it is recognised that the transitional funding has helped to damp the financial impact on those residents who are currently affected.

1.3 Social Sector Size Criteria (Bedroom Tax)

- 1.3.1 This national policy was introduced from 1 April and restricts the amount of housing benefit that can be awarded in situations where the household is 'over-accommodated'. However, the regulations implementing the policy have already been 'updated' following lobbying from various parties. It is now the position that:
- when counting the bedroom requirement, a bedroom should be allowed for an adult child who still has their 'home' at the benefit claimant's property but is away serving in HM Forces;
 - when counting the bedroom requirement, a bedroom should be allowed for foster children;
 - an extra bedroom should be allowed for a child (not otherwise entitled to a separate room) if that child has a disability requiring a separate room.

- 1.3.2 The Government has not, however, changed the rules to permit an extra bedroom (for HB purposes) to be allowed for a couple when one of them requires a separate bedroom because of illness. In these cases, the cost of the HB restriction can be offset only by means of a discretionary housing payment. This particular 'scenario' continues to create the majority of the complaints/comments about the policy.
- 1.3.3 In addition, there is a growing debate over the definition of a bedroom. The government's view has been that the number of bedrooms is defined by the tenancy agreement and that, if the agreement was, for instance, for a three bedroom property, it was not for the local authority to question the number of bedrooms. However, that view is beginning to be challenged in the Courts and I await further developments.

1.4 Benefits Cap

- 1.4.1 The benefit cap was 'rolled out' to claimants within this Borough on 15 July.
- 1.4.2 The cap applies to the total amount a household receives per week from: Bereavement Allowance; Carer's Allowance; Child Benefit; Child Tax Credit; Employment and Support Allowance; Guardian's Allowance; Housing Benefit; Incapacity Benefit; Income Support; Jobseeker's Allowance; Maternity Allowance; Severe Disablement Allowance; and Widowed Parent's Allowance (or Widowed Mother's Allowance or Widow's Pension in payment before 9 April 2001).
- 1.4.3 The 'cap' is £500 per week for couples (with or without children living with them); £500 a week for single parents whose children live with them; and £350 a week for single adults who do not have children, or whose children do not live with them.
- 1.4.4 The cap will not apply if someone in the claimant's household receives working tax credit or gets Disability Living Allowance (DLA); Personal Independence Payment; Attendance Allowance; Industrial Injuries Benefits; Employment and Support Allowance (support component); or War Widow's/Widower's Pension.
- 1.4.5 We are informed, by the DWP, of the 'excess' and it is the responsibility of our staff to deduct the 'excess' from the housing benefit entitlement. Currently, there are 24 households in the Borough in respect of which the DWP has advised us that the cap should be applied. Presently, the highest deduction per week is £202.25 and the average deduction is £96.05.

1.5 Personal Independence Payments (PIPs)

- 1.5.1 PIPS are, of course, not administered by the Council but are the responsibility of DWP. However, there are approximately 4,500 claimants of disability living allowance in the Tonbridge & Malling area and, therefore, I am sure that Members would wish to be aware of the impact of the change.

1.5.2 PIPs initially apply only to new claimants. However, from 7 October 2013, existing DLA claimants who report a change in their DLA care or mobility needs will be asked to claim a PIP. Claimants with existing fixed-term DLA awards, due to expire after the end of February 2014, will be asked to claim a PIP.

1.5.1 Like DLA, PIPs will not be considered as income for the purpose of entitlement to current income-related benefits, or, in future, Universal Credit. The PIP will not be based on a person's medical condition but on how they are affected by that condition.

1.6 Universal Credit

1.6.1 Universal Credit (UC) was originally thought to be commencing from October 2013, but it has now been confirmed that the 'rollout' will be restricted to only a few pilot areas. It is not yet known when Universal Credit will begin to affect residents within our Borough, although the likelihood is that it will not be until 2014/15.

1.6.2 Unless there are any changes to the policy, following the evaluation of the 'pilots', the introduction of Universal Credit will see the end of new claims for housing benefit for working-age claimants. The next phase of the project includes the conversion of existing housing benefit claims, due (presently) for completion by October 2017.

1.6.3 A similar project will see the replacement of pension-age housing benefit claims with a housing cost payment rolled into pension credit. Following the 'deferral' of the start of the initial phases, it is not clear when this part of the project will commence.

1.6.4 The government announced, in November 2012, that housing costs for those living in 'supported accommodation' will not be delivered via Universal Credit but continue to be delivered by local authority housing benefit teams. The definition of supported accommodation for this purpose is complicated but, put simply, is accommodation provided by a charity or social landlord where there is a degree of 'living' support provided for the tenant as a condition of the tenancy. In these cases, some of the support charges can be paid through housing benefit, although re-imburement of payments is not fully met by Government.

1.6.5 Housing benefit claims relating to this type of accommodation can be expensive for the Council and resource intensive when it comes to administration. From April this year, the Government is monitoring the costs in housing benefit for these schemes to inform decision-making for future funding.

1.7 Discretionary Housing Payments (DHPs)

1.7.1 As Members are aware, in recognition of the financial difficulties placed on some households through aspects of the welfare reform agenda, the government has considerably increased the grant made to councils for discretionary housing

payments. Unlike the 'old' DHP grant system, DHPs cannot be awarded to help towards council tax payments. They can, however, in some circumstances, be used to provide rent-in-advance.

- 1.7.2 We were granted a fund of £129,600 this year from which to make DHPs. At the time of writing, we have spent/committed £48,094.70, awarding payments in respect of 100 applications and refusing payments in respect of 80 applications.

As the financial year has rolled on, the demands on the DHP fund have increased and we anticipate this continuing until the end of the year.

1.8 Social Fund

- 1.8.1 The Social Fund, which is administered as the Kent Support and Assistance Service by the County Council, is a fund designed to help residents who are having serious difficulties in managing their income or facing exceptional pressures as a result of an emergency or crisis.
- 1.8.2 Presently, KCC's policy is that support is not offered in cash but can be provided to those in extreme need in the form of essential groceries, items of clothing, goods for young children, household appliances and re-used furniture and household items (such as bedding). The take-up/award success of the Social Fund within the T&MBC area is below average for the County. This may be a result of the support on offer not being appropriate or, perhaps, because the applicants are not deemed to be in 'extreme need'. The Housing team and Customer Services staff do, however, signpost many potential applications to the Fund on a regular basis.
- 1.8.3 As I reported to the Finance, Innovation & Property Advisory Board recently, preliminary discussions with Kent County Council officers suggest that they would be open to a dialogue about utilising part of the Social Fund to support those residents who, for exceptional reasons by way of financial hardship, are unable to meet their council tax liability; in particular where the liability has increased due to a loss of transitional protection

1.9 Housing

- 1.9.1 In Housing, the number of people contacting the housing options team for advice continues to be high and is expected to increase as many more families will be affected by the changes to the benefit system. Not only are presentations high but the nature of the enquiries is becoming more complex and multi-faceted. The new housing allocation scheme received approval by Cabinet on 19 June this year and went live on 26 September.
- 1.9.2 The table below shows a comparison of the breakdown of the housing register at the close of the old allocations scheme and at the opening of the new scheme.

Band	A	B	C	D	Total
Pre review	97	141	569	846	1653
Post review	83	177	386	304	950

1.9.3 The reduction can be attributed mainly to those households who are no longer eligible to join the housing register because they are deemed not to have a housing need in accordance with the new allocations policy.

1.9.4 The total number on the register will of course be fluid. Based on applications currently in the system and awaiting assessment, combined with the flow of new applications, it is expected to reach circa 1,100.

1.10 Troubled Families/ Family Focus

1.10.1 The Chief Executive will be reporting to the Communities and Health Advisory Board in November to update Members on the progress of the Family Focus (formerly known as Troubled Families) Project.

1.10.2 The Local Project Delivery Manager for the Tonbridge & Malling area, employed by KCC, is working with officers across the Council to ensure that a 'joined up' approach is taken in assisting those identified families included on the programme who are also being impacted by the welfare reform agenda. Family intervention resources are now in place to bring direct support to the families with most pressing needs and further work is being undertaken with partner agencies to identify additional families that can be included in the programme for Year 2. Government has recently announced that the initial, three year programme will be extended by a further two years in recognition of the scale of the problem and the long term nature of the issues faced by some of the families involved.

1.11 Welfare Reform Training and Partnership Working

1.11.1 In March 2013, in preparation for the 'launch' of the Welfare Reform agenda, a series of training sessions was held for our own staff and external organisations that serve our residents. Almost 30 representatives attended from organisations such as the Citizens Advice Bureau, West Kent Debt Advice, The Bridge Trust, The Pilsdon Community, Russet Homes, Porchlight and The Royal British Legion.

1.11.2 The sessions covered the main aspects of the welfare reforms and allowed for valuable discussion over the variety of impacts on customers and organisations. The success of these events led to the call for similar group discussion sessions in future.

1.11.3 Members may be aware that I chair a corporate officer group to oversee the welfare reform agenda and to co-ordinate services and assist residents within the Borough. As well as a breadth of TMBC officers, the group meetings are also attended by the Local Project Delivery Manager for Family Focus ('Troubled

Families') mentioned above and the Head of Housing (Income & Empty Homes) from Russet Homes.

1.11.4 These officers add a further dimension to our discussions and the joint working which has ensued has been extremely valuable to all concerned. I have recently met with the Partnership Manager from Job Centre Plus who has agreed, firstly, to set up "hotlines" for our staff to contact JCP staff on behalf of our clients; but also to join the group at our next meeting. As 'getting people back into work' is the foundation of the welfare reform agenda, this link will add further value to the work of the group.

1.12 Data Mapping

1.12.1 In order to gain a Borough-wide insight into the impact of welfare reform, officers have been 'mapping' the impact graphically on the Council's Geographical Information System. The mapping data will be available at the meeting for Members to view.

1.12.2 Members will, I am sure, agree, once they have seen the data, that this is a good tool for identifying 'gaps' in support provision and potential problem areas.

1.13 Legal Implications

1.13.1 None other than referred to in the report.

1.14 Financial and Value for Money Considerations

1.14.1 None in respect of this report. The welfare reform agenda does have significant financial implications for the Council but those implications have been/will be the subject of separate reports.

1.15 Risk Assessment

1.15.1 None in respect of this report.

1.16 Recommendation

1.16.1 Members are **REQUESTED** to **Note** the contents of this report.

Background papers:

contact: Sharon Shelton

Nil

Sharon Shelton
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