

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

03 June 2015

Report of the Director of Finance & Transformation

Part 1- Public

Matters for Information

1 BENEFITS UPDATE

A report advising Members of current issues arising in the benefits field

1.1 Performance and Workload of the Benefits Service

1.1.1 The average number of days taken to process a new claim for housing benefit and council tax support for 2014/15 was 18.3. The average to process a change of circumstance was 5.9 days. This is our best annual performance for a number of years. Current performance, this financial year, is running at 16 days to process new claims and 6 days for change of circumstances.

1.1.2 The number of households in the Borough receiving help in the form of housing benefit and/or council tax support has fallen over the last year. The number claiming council tax support in May 2015 is 194 fewer than in May 2014, whereas over the same period, for housing benefit, the decrease is 48 cases. The difference can be explained in how the two benefits are calculated.

1.1.3 There has been a continued shift in the number of out of work households claiming housing benefit moving to in work claims. Overall, for the year, 94 out of work households stopped claiming housing benefit, while there was a gain of 46 for in work households.

1.2 Discretionary Housing Payments (DHP)

1.2.1 The total fund for 2014/15 of £165,494 was exhausted by mid-March 2015. In total, the Council received over 700 applications to the fund, eventually assisting just under 300 households. Approximately 100 awards were made (totalling £65,000) of single payments for purposes such as to help clear rent arrears, allow down-sizing of accommodation, save tenancies and prevent homelessness.

1.2.2 Other awards were made on a weekly basis to 'top-up' housing benefit levels where there was a shortfall to the rent payable. These types of awards were most commonly paid where a shortfall occurred due to the social sector size criteria restriction (bedroom tax). Most weekly awards were made for three months with conditions that claimants used that time to resolve their financial situation, such as

finding work, increasing hours worked, moving to cheaper / more suitably sized accommodation or renting out spare rooms. Where a claimant could clearly demonstrate that steps had been taken to address the difficulty, but it was not yet resolved, a further award of DHP was often granted on re-application.

- 1.2.3 For the 2015/16 financial year, our DHP allocation from Government has reduced by 15% to £140,671. That said, currently the number of households affected by welfare reform has also reduced due to the success of the scheme. There has been a high number of applications received so far for this financial year, unfortunately leading to delays. However, my officers prioritise cases to ensure those who require immediate assistance or a fast response get it. Decisions are made based in accordance with our DHP Policy, but not only do my officers need to gauge the 'worthiness' of each application, they must also keep an eye to the future - balancing decisions against anticipated pressures on the fund over the course of the year. If all applications were granted from the start of the year then the fund would be spent midway, if not earlier.

1.3 Universal Credit

- 1.3.1 Roll-out of Universal Credit is due to start in the Borough in October. An early meeting has already taken place with local officers from the Department for Work & Pensions. Previous local communication and network channels with Jobcentres and the DWP have been notoriously difficult, however, I am pleased to report that the experience so far, in connection with Universal Credit, is promising.
- 1.3.2 National roll-out is taking place within a 'test and learn' framework, using small steps. When it comes to roll-out in the Borough in October, Universal Credit will only be available to single working age people who would otherwise make a new claim for Jobseekers Allowance. This will affect very low numbers of claimants, particularly as few of them will also claim a housing cost element (as a replacement to housing benefit). The date to expand Universal Credit availability in the Borough to couples and families is unknown at present.
- 1.3.3 Once the roll-out is complete and successful for all claimant types the process of converting existing working age housing benefit claims to Universal Credit will begin. The current plan is to complete this final stage in 2019, at which point, we will only administer housing benefit for pensioner households and claimants living in supported accommodation, approximately 65% of the caseload we currently handle.
- 1.3.4 Between now and our Universal Credit 'go live' in October, we will agree with the DWP what supplementary services are required to locally support Universal Credit claimants, how they are provided and their funding. The agreement is known as the Delivery Partnership Agreement and will cover the provision of services such as budgeting support, money advice and online assistance. Each Council will form its own Delivery Partnership Agreement with the DWP, tailored to local needs.

1.4 Local Council Tax Reduction Scheme 2015/16

- 1.4.1 In April 2015 we entered the third year of our local council tax reduction scheme. The original scheme was agreed by Members in January 2013 and planned to run for three years. As Members will now be aware, the scheme is based on the calculation for council tax benefit but reduces entitlement by 18.5% for working age claimants. Pensioners have been granted statutory protection from any financial loss.
- 1.4.2 When the new scheme started in April 2013, for approximately 2,500 households, it meant paying some council tax for the first time, whilst approximately 500 other households, receiving partial assistance, saw increases in their bills.
- 1.4.3 Collection of the balances has been challenging, however, with focus on these accounts and some changes to recovery procedures, the scheme has been successful. I am currently in discussion with my colleagues across Kent as to the development of a scheme beyond 2016.
- 1.4.4 A national review of Council Tax Reduction Schemes will take place later this year. The review will evaluate the success of local schemes and consider whether they should be rolled into Universal Credit at some point.

1.5 Changes to Housing Benefit

- 1.5.1 It is highly likely that we will see several significant changes to housing benefit eligibility in the near future, removing or reducing payments. Together with the continued pressure to find greater efficiency in the Service, meeting the demands and needs of our residents and the introduction of Universal Credit, there are certainly challenging times ahead in this field.

1.6 Legal Implications

- 1.6.1 None

1.7 Financial and Value for Money Considerations

- 1.7.1 None

1.8 Risk Assessment

- 1.8.1 The pressure on the DHP budget is being carefully managed to ensure that funds are available for appropriate award to claimants for the duration of the year.

Background papers:

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Nil

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