

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

13 January 2016

Report of the Director of Finance and 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 new claims for housing benefit over the financial year is 14.4. Changes in circumstances are taking an average of 7.3 days.
- 1.1.2 The number of households claiming housing benefit and council tax support has dropped slightly. The shift from 'non-working' claims to 'in-work' claims continues.
- 1.1.3 The workload for the Service has remained consistent. Since my last report to Members I am pleased to say a new document imaging and workflow computer system has been introduced to replace the former system. At the time of writing this report my Services are still in the throes of the transition, however, the conversion is on track and has caused minimal adverse impact on our customers. The new system will provide much improved integration with the Northgate processing system used across Revenues and Benefits and the ability to enable greater use of digital services in future.

1.2 Universal Credit

- 1.2.1 From 12 October 2015, any single person in the Borough who would have previously made a new claim for Jobseekers Allowance has instead claimed Universal Credit. The benefit is administered by the Department for Work & Pensions (DWP). As expected, numbers have been very low, fewer than 10 at the time of writing.
- 1.2.2 I am not able to recount any personal experience from claimants going through the Universal Credit claim process yet, however, I can say that the involvement with each claim that my staff have had so far has been complicated, time consuming and of a very manual nature. It would not be possible to scale up the process without considerable additional resource. The DWP intend to rollout their 'digital solution' during 2016 which will streamline the process.

1.2.3 The Council has a role in the administration of Universal Credit; to supply claimants with personal budgeting support where needed and assistance with on-line claiming. I have agreed with the local Citizens Advice service for the organisation to provide budgeting support on behalf of the Council when the DWP identifies such a need.

1.2.4 The DWP recently sent a letter to all Local Authority Chief Executives setting out plans for the rollout of Universal Credit. It is now anticipated that the rollout will be completed by early 2021. I have attached a copy of the letter at **Annex 1**.

1.3 Local Council Tax Reduction Scheme

1.3.1 At our last Board, Members recommended to Cabinet that the current scheme for council tax reduction be 'refreshed' for 2016/17 and that I was authorised to enter into discussions with KCC and district colleagues to review the scheme from 2017/18.

1.3.2 The 2016/17 scheme will be updated on our website and I have had an early stage meeting with my Kent colleagues regarding the development of a scheme from 2017/18 and on. I shall keep Members informed with progress.

1.4 Welfare Reform

1.4.1 At our last meeting in my report to the Board I updated Members on welfare reform measures announced in the Chancellor's Summer Budget. Since that meeting the House of Lords rejected plans for cuts to Tax Credits.

1.4.2 The Chancellor's Autumn Statement contained further welfare reform measures:

- Cap housing benefit for social sector (housing association) accommodation to the relevant Local Housing Allowance rate, from April 2018 for tenancies commencing after April 2016
- Cap housing benefit for supported accommodation to the relevant Local Housing Allowance rate.
- Provide more funding to local Councils in discretionary housing payments (DHP) to protect the most vulnerable in supported accommodation
- Limit housing benefit and Pension Credit payments to four weeks for claimants who are outside Great Britain, from April 2016

1.4.3 The limitation of housing benefit to Local Housing Allowance rates in social accommodation should have little impact on our residents. Most social rents are at or below the level of Local Housing Allowance rates, however, this policy does adversely impact on single under 35's. This group would face housing benefit restrictions to a maximum award of the 'shared room rate' which is considerably lower than rents for one bedroom accommodation. There is no detail as yet

regarding how this policy will interact with the current measures of spare room deductions social accommodation. I hope to be in a position to advise Members of more detail in my report to the next meeting.

1.4.4 A cap on housing benefit levels to Local Housing Allowance rates for supported accommodation has the potential for a major impact on many residents in the Borough. Tenants in supported accommodation are amongst the most vulnerable. Again, until more detail is available on the operation of this restriction I cannot entirely assess its impact. However, the increase to DHP will mitigate losses to some extent.

1.4.5 The limit on housing benefit and Pension Credit payments will have a low to medium impact on a small number of claimants.

1.5 Legal Implications

1.5.1 The Council will need to introduce the changes to benefits in accordance with legislation once granted.

1.6 Financial and Value for Money Considerations

1.6.1 Rollout of Universal Credit will be monitored and the impact on staffing considered along the way.

1.6.2 Discussions around a new Council Tax Reduction Scheme will need to consider the balance between the cost of a scheme, the likely impact on collection rates for council tax and the effects of welfare reform measures over the coming years.

1.7 Risk Assessment

1.7.1 Associated risk assessments will be made in the design of any new Local Council Tax Reduction Scheme and at the introduction of new welfare reform measures.

1.8 Policy Considerations

1.8.1 A review of the Council's Discretionary Housing Payments Policy to take place during 2016/17

Background papers:

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Annex 1 Letter from DWP

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