

**TONBRIDGE & MALLING BOROUGH COUNCIL**  
**FINANCE, INNOVATION AND PROPERTY ADVISORY BOARD**

**24 September 2014**

**Report of the Director of Finance & Transformation**

**Part 1- Public**

**Matters for Information**

**1 BENEFITS UPDATE**

**This report advises Members of current issues arising in the benefits field.**

**1.1 Performance and Workload of the Benefits Service**

1.1.1 At the last Board meeting I informed Members that a fast tracking process for new benefit claims was introduced on a trial basis from 16 June. I am very pleased to report that the trial was successful and together with some other changes to the way benefit claims are processed, they combined to produce a great improvement to our performance. The changes have now become standard procedure.

1.1.2 As a result, our performance in August stood at 13.3 days on average to process new benefit claims and 6 days for changes in circumstances.

1.1.3 The number of households in receipt of housing benefit continues to creep up. The last 3 months have seen increases of around 10 households over each period. The trend continues for 'out of work' claims to reduce in numbers, indicating a general shift into work. The number of homes receiving benefit from council tax support has also increased slightly over the last year. Put into perspective, the Council now assists around 1 in 6 homes in the Borough with housing benefit and / or council tax support.

**1.2 Discretionary Housing Payments (DHP) & Welfare Reform**

1.2.1 The Council's budget for the DHP is £165,497 for this financial year. As at the beginning of September the remaining balance of the DHP fund stood at £70,500, meaning £95,000 has been allocated to assist households, who receive housing benefit, so far this year. The spending is on profile to use up the fund by around the end of the financial year.

1.2.2 The benefit section has, so far, received 312 applications for payments, 258 of these have been awarded and 54 refused. The majority of applications and awards assist tenants in difficulty with the additional financial burden caused by the social sector size criteria restrictions (SSSC/bedroom tax). There have been 197 applications for this reason since April.

- 1.2.3 At the time of writing this report there are 555 working age households with restrictions to housing benefit due to the SSSC rules. Of these, 403 are Circle Housing Russet (CHR) tenants.
- 1.2.4 There are two levels of SSSC benefit restriction, 14% of gross rent if under occupation is one bedroom and 25% if two or more. Of the 555 households, 477 have the 14% restriction applied (averaging a reduction in housing benefit of £17.55 per week) and 78 have the 25% restriction applied (averaging £33.04 per week). These figures indicate a total annual restriction in housing benefit of over £550,000.
- 1.2.5 In general, feedback from housing associations is that there is relatively low interest from tenants to downsize due to the restrictions (even with various incentive schemes to hand) and that rent arrears have not significantly increased.
- 1.2.6 Although the DHP fund mitigates the difficulties for some tenants, it is clear that the fund cannot fully assist all households. The DHP fund is supplied to the Council by Government. In spite of the grant having increased this year and last, the worry is that it will be reduced in future and help will no longer be available to residents at such a level. It is important that there is no reliance placed on continued or repeat awards, all bar exceptional cases.
- 1.2.7 The 'benefit cap' is currently applied to 20 households. The cap restricts the total benefit income of a family to £500 per week. It only applies to families where the claimant and partner (if there is a one) are not in work. It operates by placing a restriction on the housing benefit payment to reduce the total benefit award. Of the 20 households, 7 live in privately rented accommodation, whilst 12 are housing association tenants. One is in temporary accommodation, placed through homelessness. The weekly restrictions average £127.50, ranging from £13 to £227.
- 1.2.8 The Council's Officer Study Group for Welfare Reform continues to monitor the impact on the Borough of the welfare reform agenda and does what it can to strategically and practically help residents, directly or through other organisations.
- 1.2.9 The group is able to take a broad view of social factors and indicators through representation from key Council services, the Citizens Advice Bureau, CHR, Jobcentre Plus and KCC's Troubled Families unit, amongst others, providing a wealth of data and commentary. It is very apparent that there is an increased demand for advice and support services for personal debt, housing, benefits and relationship issues, relating to the reforms.
- 1.2.10 There has been very little news of Universal Credit forthcoming since my last report to this Board. The Universal Credit project, which will see the transfer of working age housing benefit claims (except those in supported accommodation), together with 5 other state benefits, into a single nationally administered benefit, remains set for rollout during 2016/17.

**1.3 Legal Implications**

1.3.1 None.

**1.4 Financial and Value for Money Considerations**

1.4.1 None.

**1.5 Risk Assessment**

1.5.1 None.

Background papers:

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Nil

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