

Meeting: Finance Sub-Committee

Date: 30 November 2021

Title: Welfare Reform - Financial update on

- Discretionary Housing Payments Fund
- Local Council Tax Support Scheme
- Local Welfare Provision Scheme
- Universal Credit

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Service: Finance Service

Wards affected: All

1. Purpose of the Report

1.1 This report provides a further update on the three schemes that provide financial support to our residents that were implemented or revised in April 2013 onwards because of on-going welfare reform, as well as an update on Universal Credit. The three schemes are:

- Discretionary Housing Payment Fund,
- Local Council Tax Support Scheme, and
- Local Welfare Provision Scheme.

1.2 An update is also included on the additional support that has been provided through the Government's package of support to help working age claimants of Council Tax Support through the pandemic.

2. Recommendations

2.1 Finance Sub Committee are asked to note the content of this report.

3. Detail

Discretionary Housing Payment Fund

3.01 Discretionary Housing Payments (DHP) are administered by local authorities on behalf of the Department for Work and Pensions (DWP). It is aimed at being a temporary payment, which provides support, just at the right time, to people in financial difficulties who have a shortfall between their rent and Housing Benefit (or Universal Credit including the housing element) or require help with moving costs to more affordable accommodation, including rent in advance and deposits. It provides time to

allow a claimant the financial support they need to deal with, seek help, and put in place arrangements to improve their difficult financial circumstances. It is promoted well so partners are aware of this support and can identify quickly those that need it.

- 3.02 Funding in 2021/22 was awarded in two parts £309,105 initially and £123,428 in September bringing a total of £432,533. This is a reduction of 23% compared to £558,563 which was the funding in 2020/21.

DHP financial details for the current financial year 2021/2022

- 3.03 Table 1 and details below show final position against the grant for 2021/22.

Table 1 – DHP Spend to date

	Amount of grant
Initial payment- DWP funding only	£432,533
Total spend and committed	£296,951
Funding unallocated	£135,582

- 3.04 Claimants

- 436 claimants made a successful claim, of these 2 claimants have custody of children and 19 claimants are living in adapted property.

- 3.05 Requested reviews

- Since April 2021 there have been 20 reviews carried out with 8 changed in favour of the customer.

Local Council Tax Support Scheme

- 3.06 The Council Tax Support Scheme is a means tested support which helps those on low income pay their Council Tax. Working age can receive up to 85% of their Council Tax liability and pensionable age claimants continue to receive up to 100% support.

- 3.07 As at the end of quarter 2 the caseload stands at 17,256 (7,356 pensionable age and 9,864 working age) which is a reduction of 185 claims against what was reported in July. The cost for the scheme is currently £15,601,887, less than July's reported figure which was £15,757,160.

- 3.08 **Hardship fund**

- 3.09 There has been no change to the Hardship fund and around 58% still have no liability to pay for 2021/22.

Local Welfare Provision

Statistics for the period 6th April 21 to 30th September 21

- 3.10 There have been 1,446 applications for Local Welfare Support

- 3.11 All 1,446 applications were offered a full screening. Further advice and information including signposting to our partner organisations was offered where this was appropriate.
- 3.12 There were 910 crisis applications eligible for further practical support. This included applicants receiving food, utility support, baby items or baby food, essential household items, travel costs or clothing.
- 3.13 Spend for the period in respect of immediate practical support amounted to £9,130. This is in addition to the annual grant to the Food Bank of £40,500 which was paid in the last quarter.
- 3.14 There is still funding with North East First Credit Union which allows the Authority 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 fund to be used by other customers. During this quarter referrals have gone directly to the credit union after an assessment by the welfare staff team. The credit union are now able to take applications online which has made the process simpler and much quicker for customers who are in crisis.
- 3.15 Of the applicants who were not provided immediate practical support funded by the authority, 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
 - Liaison with HMRC for Child Tax Credits
 - Working with other community support groups
 - Liaison with their bank utility provider 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)
 - Referral to community resources for clothing or furniture items

Current update including Covid 19

- 3.16 Due to rising energy prices, cuts to Universal Credit, the withdrawal of government support schemes such as furlough and the end of debt recovery suspension, demand for support is increasing. The impact of the pandemic on family and individual's finances has meant that people who have not accessed support in the past are requesting help from the team.
- 3.17 There have been additional grants over the year to support applicants with financial difficulties caused by the impact of Covid 19 and this has allowed an increase in the support provided.

- 3.18 The team continue to assess and process discretionary applications for support with Track and Trace Payments.

Universal Credit

- 3.19 Universal Credit (UC) replaces 5 state benefits unless the customer meets certain criteria and would still qualify for a legacy benefit. The five legacy benefits it replaces are:
- Housing Benefit (HB)
 - Income Support (IS)
 - Job Seekers Allowance Income Based (JSA)(IB)
 - Employment and Support Allowance Income Related (ESA)(IR)
 - Tax Credits (Child Tax Credits and Working Tax Credits) (CTC), (WTC)
- 3.20 The number of people claiming Universal Credit is still high with the most recent data showing 18,847 but it is a reduction again the figure provided in July.
- 3.21 Job Centre Plus delivery is back to business as usual, delivering face to face work focused interviews. As restrictions have been lifted more staff and customers are being invited back to the offices and visits to employers are taking place to support the drive in getting people back to work. A jobs fair took place on 18th October and 30 employers confirmed attendance.
- 3.22 All UC claimants were updated in July to notify them of the reduction to their payments and texts and emails were sent in August changes to encourage them to check their statements. Further messages were issued in September and October and work coaches were highlighting this when they had interactions with customers.
- 3.23 There is still significant support and opportunities available to UC claimants, for example the government is extending when the last Kickstart jobs can start which means that young people can start in a Kickstart job up until Thursday 31 March 2022 (applications to the scheme close on Friday 17 December). The **Youth Offer** programme is expanding eligibility and now includes 16 and 17 year olds in addition to 18-24 year olds. This provides additional support to unemployed young people on Universal Credit who are searching for work through its Youth Employment Programme, supportive Youth Hubs and specialised employability coaches. Additionally, the government is also extending its £3,000 incentive payment for every apprentice a business hires up until 31 January 2022. All of this, it is hoped, will provide more opportunities to young people and reduce Universal Credit numbers.

Housing Department Update

- 3.25 The impact of UC continues to be felt by our housing department and they now have 4,640 tenants on UC as at 03 October 2021. 3,282 (70.73%) of these are in arrears although it is worth noting that 62.19% of those on UC were already in arrears when they moved onto UC. The average arrears for those on UC is £548.40 (this has reduced since last quarter) compared to an average arrears of £553.56 for all tenants

and £325.55 for those not on UC. Other housing providers continue to advise of significant arrears with tenants in receipt of UC.

- 3.26 Covid-19 had a large impact on housing tenants with 1346 tenants reporting that they had been adversely impacted; 132 tenants (9.81%) reporting an adverse impact on more than one occasion. This had contributed to the significant increase in the number of tenants claiming UC, with 756 tenants on UC stating they have been impacted by Covid-19.

4. Background Information

The following background documents have been used in the compilation of this report and are available from:

- [Housing Benefit Circular S10/2021 Discretionary Housing Payments government contribution for English and Welsh local authorities for the financial year ending March 2022](#)
- [Housing Benefit Circular S4/2021 Details of the Government contribution towards DHP for local authorities for the financial year 2021/22](#)
- [Discretionary Housing Payment Policy 2021/22](#)