

Meeting: Finance Sub-Committee

Date: 29 March 2022

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 Hardship payment made to working age claimants of Council Tax Support.

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 was a reduction of 23% compared to £558,563 which was the funding in 2020/21.
- 3.03 We have also now been notified of DHP funding for 2022/23, again this fund is awarded in 2 parts with the initial grant of £300,337. It is unlikely we will get the very much more for the remainder of the year as centrally the national grant for DHP has been reduced considerably from £140 million in 2021/22 to £100 million for 2022/23.

DHP financial details for the current financial year 2021/2022

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

Table 1 – DHP Spend to date

| | Amount of grant |
|-----------------------------------|-----------------|
| Initial payment- DWP funding only | £432,533 |
| Additional Funding from Housing | £15,000 |
| Total spend and committed | £447,533 |
| Total spend against Fund | £447,492. 36 |
| Funding unallocated | £40.64 |

- 3.05 Claimants
- 640 claimants made a successful claim, of these 2 claimants have custody of children and 30 claimants are living in adapted property.
- 3.06 Requested reviews
- Since April 2021 there have been 33 reviews carried out with 14 changed in favour of the customer.

Local Council Tax Support Scheme

- 3.07 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.
- 3.08 As at the end of quarter 3 the caseload stands at 16,855 (7,345 pensionable age and 9,510 working age) which is a reduction of 390 claims against last reported in November. The cost for the scheme is currently £15,406,159, less than reported in November's figure which was £15, 601,887.

3.08 **Hardship fund**

- 3.09 A hardship payment has been awarded for 2020/21, 2021/22 and Council agreed on the 17 February 2022 that the budget for 2022/23 should continue to support working age claimants again with a £150 Hardship payment.

Local Welfare Provision

Statistics for the period 6th April 21 to 28th February 22

- 3.10 There have been 3,699 applications for Local Welfare Support
- 3.11 All 3,699 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 2,329 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 £43,593. 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 7 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 individuals 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 In addition, the team are currently delivering grants from the Household Support Fund. Additional funding awarded to support vulnerable households with food, utilities and essential items during the winter months.

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 but reducing, the most recent data shows 18,548 claimants which is a reduction of 299 against the figure reported in November.
- 3.21 DWP have put in place a programme called Way to Work. It is a national drive to get half a million people who are out of work into jobs in the next five months. There are currently record number of vacancies available - around 1.2 million nationally -and Way to Work aims to support people on Universal Credit who are actively looking to make a fresh start in work, to accelerate connecting current opportunities and people searching for work. This means that:
- work coaches now have more time to work with their customers, identify barriers to work, and prepare them for available jobs,
 - in North Tyneside JCP's have followed a 'Back to Basics' drive (post COVID) to refresh local relationships with all support organisations e.g. health/disability organisations, probation, homelessness organisations, care leaver team, North Tyneside Homes etc to ensure staff are aware of the support, on offer and mechanisms are in place to refer customers appropriately. Many partner organisations are now back working in JCP's, so in each site there is a comprehensive range of support/advice available,

- working with employers to match them with claimants who can rapidly move into jobs and having as many employers as possible in North Tyneside JCP's to meet and interview customers on site,
- running local jobs fairs to 'bring together' large numbers of customers and employers with vacancies.

3.22 Citizens Advice (CA) were successful in the recent competition for the Help to Claim Support which is provided from 1st April 2022. This provides support to those making a new claim to UC from 1 April 2022. Delivery of Help to Claim via telephony, digital and face to face channels will continue until 31 March 2022. From April, the Help to Claim provision will continue to provide support to citizens across England (not face to face) to make a new claim to UC and manage their claim, up to receiving their first correct payment. Face to face support will be available in local JCP's.

Housing Department Update

3.23 The impact of UC continues to be felt by our housing department and they now have 5,075 tenants on UC as at 7 March 2022. 3,545 (70.37%) of these are in arrears although it is worth noting that 89.02% of those on UC were already in arrears when they made the current claim for UC. The average arrears for all tenants have increased since last quarter, those on UC is £805.00 compared to an average arrears of £574.63 for all tenants and £421.15 for those not on UC. Other housing providers continue to advise of significant arrears with tenants, including those in receipt of UC.

3.24 Covid-19 had a large impact on housing tenants with 1428 of 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. So far 818 tenants on UC, 78 tenants on legacy benefits and 532 self-paying tenants have been recorded as having 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:

- [Discretionary Housing Payment Policy 2022/23](#)
- [Housing Benefit Circular S1/2022 Discretionary Housing Payments government contribution for English and Welsh local authorities for the financial year ending March 2023](#)