

## **Budget & Finance and Co-operative & Communities Scrutiny Committees**

### **Scrutiny review of Welfare Benefit Reform Policies**

#### **Report to Cabinet**

## **INTRODUCTION**

Following earlier work, the Budget & Finance and Co-operative & Communities Scrutiny Committees met on 3<sup>rd</sup> September 2013 to review the emerging impact of the welfare benefit reforms in Telford & Wrekin. The Committees received a detailed presentation on the impact on each of the following policies:

1. Council Tax Support scheme and Council Tax Support Hardship Payments
2. Discretionary Housing Payments
3. Local Crisis & Resettlement Assistance.

The meeting was attended by Cllr. Bill McClements - Cabinet Member Finance & Resources, Cllr. Hilda Rhodes - Cabinet Member Customer Services, Libraries & Transport, the Assistant Director Customer & People Services and the Benefits Service Delivery Manager.

The Committees considered the impact of the policies to date on the respective budget allocations, on customers and on staff. Members also heard about some of the implications for the social sector housing providers (WHT) and partners (Crisis Network).

## **SUMMARY OF KEY FINDINGS**

### **1. Council Tax Support scheme and Council Tax Support Hardship Payments**

- Collection rates were showing a downward trend (0.99% below last year by August) but were not as bad as expected and currently within tolerance (£600k provision had been made in the budget for bad debt)
- An additional £1.7m Council Tax had been collected to date (projected £5m over the year) as a result of the reductions in discount introduced in April
- 168 hardship applications had been approved, committing £9, 850 (15.5%) of the annual £65k budget which was below budget projections for this point in the year. Where one form of assistance is sufficient, top-ups tend to be paid from the DHP fund (DWP) rather than the CTSHP fund (Council).
- The number of summonses had increased by 918 in July 2013 over the same month last year with first time payers accounting for the majority of summonses
- The team had been very proactive in contacting people affected by the changes to offer support and flexible options to encourage payment
- Authorities which had introduced no or lower cash cuts than Telford & Wrekin were having to consider further reductions to achieve financial sustainability
- Changes to the scheme would require another formal consultation
- Overall, the impacts of the scheme at this stage of the year were considered to be acceptable and manageable and the recommendation was to retain the existing scheme for 2014/15 with no changes.

## **2. Discretionary Housing Payments**

- DWP awarded Telford & Wrekin £356K for DHP in 2013/14
- 2613 households in the borough were affected by the social sector spare room subsidy
- 523 (of 660) applications had been approved, committing £128k of the budget
- Data from Wrekin Housing Trust and Insider Housing showed the social sector spare room subsidy was a particularly acute problem in Telford and Wrekin compared to other authorities because of the lack of smaller accommodation, especially one bedroom properties. At current “churn” rates it was estimated it would take 10 years to re-house people affected in one bed properties; the equivalent estimation for Shropshire was 3 years.
- The length of awards was longer than in previous years because of people unable to move because of the lack of smaller properties
- Overall, DHP was considered to be working well and manageable within budget.

## **3. Local Crisis & Resettlement Assistance**

- DWP awarded £488k programme funding to Telford & Wrekin. £400k was profiled over 12 months and £88k ring-fenced as a contingency to support partners.
- To the end of July, 238 awards had been made (of 329 applications). Officers were managing the budget tightly and only approving expenditure for those most in need.
- The scheme had remained completely cash-free and there was evidence this may have deterred a considerable number of applications
- Suppliers of used goods (white goods/furniture) could only supply two thirds of the demand; a third were bought new (beds/mattresses were always new)
- Provision for vulnerable adults over winter months had been considered
- Small amounts of funding had topped-up Food Banks with essentials in short supply and £19k put towards the Food Bank Co-ordinator post.
- Opportunities to consolidate the procurement of personal items under the LCRA fund were being looked at.

## **FEEDBACK FOR CABINET TO CONSIDER**

From evidence to date the Scrutiny Committees were satisfied that the policies were working well and were manageable within budget. The policies would need time to bed-in for the impacts to be monitored over the longer term. Members recognised much success was due to the proactive and flexible approach of the team and thanked officers for their hard work.

1. The Committees support the retention of the current Council Tax Support scheme without change for 2014/15.
2. Members requested a further update at the end of the financial year but scrutiny should be alerted to any significant changes arising before then.

3. Ideas on ways for the Council to build up a stock of good quality used goods for Local Crisis and Resettlement Assistance, and to increase the donation of suitable goods, should be progressed with partners to avoid additional costs of buying new.
4. The Council should take all possible steps to encourage social housing providers to build smaller properties, especially one-bedroom, to meet the demand created by the “bedroom” tax which is a particularly acute problem in Telford & Wrekin.
5. Safeguarding children and vulnerable adults should remain a priority, as seen in the exceptional DHP awards to families with children affected by the overall benefit cap and the planning of provision for vulnerable people during winter months.
6. Members were conscious of the emotional toll on officers dealing with people in need, and managers should continue to support staff in these roles.