

Welfare Reform Update July 2013

Summary of local welfare changes

New Council Tax Support scheme – good news– so far collection rates maintained

On the 1st April 2013 our new local council tax support scheme started on-time despite funding from central government having been reduced by 10%. Pensioners are excluded.

In Sevenoaks we are very fortunate because the number of cases is modest.

In total, 3,300 residents across the District (7%) will now have to pay CT for the first time or higher CT. The average amount to pay is £80 to £100 a year or £7 to £8 a month. However, the revenues team are being very proactive and are accepting any form of payment whatsoever! Weekly, cash over the counter etc, etc.

By the middle of this month we will know where we are regarding Court summonses.

Under-Occupation – again, so far, so good!

From the 1 April 2013 the spare room subsidy was withdrawn so that social tenants with spare bedrooms are now in the same position as those claiming HB in the private sector have been for the last 20 years. Pensioners are excluded.

As we don't have any social housing SDC are again only involved in administering the reduction of HB and making the payment.

Only 517 households in receipt of HB (9%) are affected and the average HB reduction is £14/wk.

Change implemented very efficiently. Everybody affected was written to last November and we are liaising closely with WKHA and MOAT about how the changes are going. We are also being proactive as an Authority in trying to help people who are under-occupying move into smaller properties and so far 2 “mutual exchange” events have been held in the area (one today in Edenbridge) to allow people to swap houses.

Consequently, 19% of the WKHA tenants (427 WK tenants affected which is the majority) are now paying the extra rent by DD and only 15% have not yet made any payments.

Benefit Cap – due to be phased in from next Monday, 15th July - watch this space!

From the 1 April 2013 the amount of benefits a household can receive was restricted to £500 per week for a family equivalent to £26,000 a year net, £35,000 gross, and £350 a week for a single person equivalent to £18,200 a year net, £24,300 gross. The cap which operates by reducing someone's entitlement to HB is due to be phased in from the 15th July over a 5 week period. SDC's role is an administrative one. Claimants in receipt of disability benefits and Working Tax Credits are excluded from the cap as are pensioners. We are fortunate in that Sevenoaks is not greatly affected. Only 20 households are potentially affected compared with 700 in Croydon, 2,000 in Enfield etc.

Universal Credit – don't hold your breath!

Universal Credit (new simpler, single benefit payment system) went live on time on the 29th April in Bolton in Tameside, Greater Manchester BUT only for new claims made by a single person with no housing needs i.e the simplest sort of claim of all.

Although ultimately Universal Credit will roll 6 benefits into one - Income Support, Jobseekers Allowance (Income-Based), Employment Support Allowance (Income-related), Child Tax Credit, Working Tax Credit and Housing Benefit, there is still a long way to go.

Claims were made on-line that day which is encouraging and the bank of telephonists on hand to deal with queries had much less to do than expected as the vast majority of people went on-line. So successful was the launch that some claims were even received from Ukraine!

This month UC will be rolled out to 3 more LA's still in the North (Wigan, Warrington & Oldham) but the "roll out" is going a lot slower than was expected. Original estimate of 1,500 new cases being added every month was way too optimistic, currently going, quite literally, person by person.

Still no national timetable as to when UC will arrive in individual LA's across the County but very clear now that the big national launch previously planned for this October will be very low key.

The on-going role for LA's is still unclear although the language has changed significantly in that the buzz word is now "partnership"! Lord Freud has emphasized that there is new money in the pot but we will believe it when we see it.

An updated Framework is expected this October to provide more details of LA involvement.

Summary of actions already taken

SDC has been very proactive in understanding the changes and communicating with affected residents and partner organisations. Anticipating and heading off potential problems before they spiral out of control is key e.g budgeting advice to avoid indebtedness caused by poor budgeting skills, and help to downsize or enter into a house swap if under occupation is a problem. Below are the various innovative and creative initiatives, devised by members and officers, to help residents cope with the welfare changes and thereby keep additional homelessness/expensive B&B emergency accommodation to a minimum.

Under/Over Occupation Initiatives

Housing Services works closely with Benefit Services and with Housing Associations across the district, especially West Kent HA.

There have been some excellent initiatives to reduce under and over occupation particularly in West Kent HA stock, since the "In Depth" scrutiny process in 2012:-

- SDC will fund 50% of an Under Occupation support officer with WKHA (section 106 funding). WKHA are aiming to advertise the post in May 2013. This Officer will help and support tenants to move including older people, if they wish to do so.
- The revised Allocation Policy will place applicants into bands with some priority given to Under and Over Occupation.

- Members agreed to put £20,000 (section 106 funding) into the “Small is Beautiful” pot managed by WKHA (target to assist 20 people) plus WKHA will be funding a similar amount. Discussions with Moat Housing are on-going to see if they can do a similar thing.
- Mutual housing swap events have been taking place to help tenants downsize e.g one today. This scheme will:-
 1. Provide financial incentives
 2. Pay for new carpets/curtains
 3. Pay for removal expenses
 4. Pay for any reconnection to services (Electricity, gas, telephone etc).

HERO Project

Sevenoaks District Council’s HERO (Housing Energy Retraining Options) Project is an outreach service and offers practical advice and guidance on a range of options to help people plan their future housing and career and to better manage their finances. The project provides effective support with helping people cope with the changes implemented by Welfare Reform and also with housing advice and, vitally, getting back into work which is obviously the most desirable way to deal with any reduction in benefits.

The project has been highly successful. Since its inception in 2009 HERO has provided 110 tenants with advice relating to benefits and housing, supported 21 residents back into retraining and 22 residents back into employment. Added to which SDC has received £43,500 from West Kent HA, Moat and KCC who also use our HERO service.

Finally, the project was the Winner of the Kent wide Homelessness Prevention Innovation award and, consequently, we are now looking to employ a 3rd HERO officer to support residents through the welfare changes and have already obtained external funding for this expanded service.

Other initiatives aimed at minimising the impact of welfare reform and benefit capping:-

- Listening to Member’s ideas, West Kent HA and Moat have innovatively agreed to hold a fair later this year. Both Moat and West Kent HA tenants under and over occupying properties will be invited to attend a “Homeswapper” event.
- Deborah White, Housing Director, West Kent HA, under the old governance structure, would have been reporting to Services Select in the summer with an update on “Small is Beautiful” and under/over occupation.
- The HERO officer continues to work with WKHA (1 day a week), Moat Housing (1day a week) giving advice on re training and employment opportunities and is soon to work with residents of the District’s (owned by Moat Housing) Women’s Refuge.
- The Council’s very successful rent in advance deposit bond scheme assisted 47 households last year to privately rent avoiding homelessness.
- Bungalows are being considered within new affordable development to incentivise older people to downsize.
- Radical pruning and review of the Register to reduce the Register to around 1,000. Households with no prospect of being rehoused in the near future will be removed and given other options. (40% reduction anticipated)
- Mapping by ward/area benefit claimants overlaid by support organisations to identify where those affected can get help.

Anna Firth, Lead Member for Welfare