

# Report to Community Overview and Scrutiny Panel

Agenda  
Item:  
**A.4**

Meeting Date: 3rd October 2013  
Portfolio: Communities and Housing  
Key Decision:  
Within Policy and  
Budget Framework  
Public / Private Public

Title: REVENUES & BENEFITS SERVICE – Welfare Reform  
Report of: The Director of Community Engagement  
Report Number: CD48/13

**Purpose / Summary:** To provide an update on the discretionary assistance provided to housing benefit recipients affected by Welfare Reform.

**Recommendations:**

It is recommended that Panel note the report.

**Tracking**

Executive:	
Overview and Scrutiny:	
Council:	

## **1. BACKGROUND INFORMATION**

- 1.1 As part of its Welfare Reform programme, the Government has, from April 2013, implemented several changes to housing benefit. These have affected levels of benefit expenditure.
- 1.2 Under Occupancy provisions have been introduced to determine the level of housing benefit paid within the Social Rented Sector, to reflect the number of bedrooms in properties needed based on household composition. Where the number of bedrooms required is exceeded, housing benefit is reduced by either 14% for one bedroom or 25% for two bedrooms or more. The reduction, also referred to as the Spare Room Subsidy, has been applied to all cases where the size criteria have been met since April 2013 onwards.
- 1.3 The Benefit Cap, where the combined benefits received by working age housing benefit customers are compared to average earned income, was introduced in Carlisle from 15<sup>th</sup> July 2013 onwards. For all cases affected, detailed consideration of household benefit income and housing benefit entitlement has been used to determine the level of reduction needed to ensure that the average earned income threshold of £500 per week for a couple/lone-parent or £350 per week for a single person is applied. Where a reduction applies the level of housing benefit due is reduced down to a potential minimum award of 50p per week. In Carlisle, reductions have ranged from £4.45 to £111.59 per week for the 16 households affected to date.
- 1.4 For cases where there is an entitlement to housing benefit which is below the level of rent due, application can be made for additional financial support through a Discretionary Housing Payment. Government funding is available to provide assistance in these cases which are considered on personal circumstances such as affordability, income, expenditure and outgoings on an individual basis. Awards are made for an appropriate period in each case to ensure that assistance is given to those in need where required. Support can be reduced or awards may cease if circumstances change.
- 1.5 Due to reduced benefit entitlements, as a result of the new rules, a significant number of additional applications for discretionary housing payments have been made when compared to the previous year. 71 applications were considered for the period from March 2012 to August 2012 which compares to 311 applications received during the same period in 2013, a workload increase of 338%.

1.6 For the current financial year up to 9th September 2013, Discretionary Housing Payments of £43,596.95 have been awarded relating to 152 cases. This represents 30.56% of the £142,640 Government Funding contribution available. For comparison, for the period from March 2012 to August 2012, 20.81% was awarded

1.7 The cases are split by categories as follows

Category	Number of cases	Percentage of cases
Low Income	2	1.32%
Baby Due	8	5.26%
Social Size Criteria	111	73.03%
LHA Reforms	10	6.58%
Other	5	3.29%
Increase in expenditure	1	0.66%
Rent Restrictions	12	7.89%
Income Tapers	1	0.66%
Rent Deposit	1	0.66%
Benefit Cap	1	0.66%
<b>TOTAL</b>	<b>152</b>	<b>100%</b>

1.8 As the changes have been introduced in the current financial year, it is anticipated that further applications will continue to be received as the impact of reduced benefit entitlement affects customer's ability to make rent payments.

1.9 Applications are being considered promptly and advice is being given on the options for assistance wherever possible. Levels of expenditure are being monitored closely and we will endeavour to utilise the available funding within the financial year.

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**Appendices**

**attached to report: None**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- None

**CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's -**

**Community Engagement –**

**Economic Development –**

**Governance –**

**Local Environment –**

**Resources -**