

COMMUNITY & HOUSING OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Wednesday 12 th July 2023
Report Subject	Cost of Living & Welfare Reform
Cabinet Member	Cabinet Member for Housing and Regeneration
Report Author	Chief Officer (Housing and Communities)
Type of Report	Operational

EXECUTIVE SUMMARY

This report provides Scrutiny Committee with a combined operational update on the latest welfare response impacts, and the cost-of-living schemes to support residents.

RECOMMENDATIONS

1	Support the ongoing work to manage the impacts that welfare reform has and will continue to have on some of the most vulnerable residents.
2	Note the support measures implemented via Welsh Government to mitigate the cost-of-living crisis.

REPORT DETAILS

1.00	EXPLAINING THE LATEST POSITION FOR WELFARE REFORM AND COST OF LIVING CRISIS MITIGATION
1.01	<p>The report provides an update on the impacts that welfare reforms continue to have on Flintshire residents and the work that is ongoing to mitigate this and support these households.</p> <p>Vulnerable households are now also being impacted by the cost-of-living crisis. The report, therefore, also provides information around a range of measures implemented to help those affected by the cost of living and the support provided to residents to help mitigate these negative impacts.</p>
	Spare Room Subsidy
1.02	<p>More commonly referred to as the Bedroom Tax, this reform relates to restrictions of Housing Benefit or Universal Credit where the claimant is under occupying the property. The restrictions are:</p> <p>14% reduction to the eligible rent where a person living in a social landlord property, has one or more “spare bedroom”</p> <p>25% reduction to the eligible rent where a person living in a social landlord property, has two or more “spare bedrooms”.</p>
	Impact in Flintshire
1.03	<p>Currently, a total of 402 households in Flintshire are subject to a reduction in their housing benefit payments because of the Spare Room Subsidy.</p> <p>89 households are affected by a 25% reduction. These households comprise of:</p> <ul style="list-style-type: none">• 75 LA properties with a total weekly reduction of £2,201.34• 14 Registered Social Landlords with a total weekly reduction of £415.89 <p>313 households are affected by a 14% reduction. These households comprise of:</p> <ul style="list-style-type: none">• 242 LA properties with a total weekly reduction of £3,786.45• 71 Registered Social Landlords with a total weekly reduction of £1,155.28 <p>The above reduction totals £7,559 per week and equates to £393,000 per annum.</p> <p>The Bedroom Tax is a restriction that also is applied to Universal Credit (UC), statistics in September 2022 confirm that a total of 783 residents are subject to a reduction in their UC because of the Spare Room Subsidy. However, the reduction costs are not available to report.</p> <p>This means that contract holders affected by this restriction must find this extra money to pay their rent.</p>

	Benefit Cap
1.04	<p>The total amount of annual ‘out of work’ benefit income which a ‘working-age’ household can receive is set at (figures for households outside of greater London (figures updated effective April 2023):</p> <ul style="list-style-type: none"> • £22,020¹ for couples and lone parents (£422.30pw) • £14,753 for single claimants (£282.93pw) <p>The latest figures show that there are 9,516 households in Wales subject to a reduction in their housing benefit and 11,761 for those in receipt of UC.</p>
	Impact in Flintshire
1.05	<p>Currently there are 10 households in Flintshire which were subject to a reduction in their housing benefit or UC as a result of the benefit cap being applied. The total loss each week for all these households is a collective loss of income of around £474.00 per week, equating to approx. £24,651 per annum.</p>
	Cost of Living Support Scheme
1.06	<p>A Cost-of-Living support scheme has been delivered on behalf of Welsh Government (WG) to provide local households with a £150.00 payment to help mitigate the impacts of rising energy costs.</p> <p>The main scheme was aimed towards households in Council Tax bands A to D and households in receipt of Council Tax Reduction across all Council Tax bands. The main scheme closed for applications on 30th September 2022.</p> <p>A total of 45,789 main scheme payments have been made to eligible households totalling £6.9m – this equates to a take-up rate of 98.4%.</p> <p>Welsh Government have also provided further funding for local authorities to design and implement a discretionary scheme to provide support to those households not eligible for a payment under the main scheme.</p> <p>Discretionary payments, consisting of individual awards of either £125.00 or £150.00 have been awarded to 7,163 households, with total awards equating to £1.05m, including a £150k payment to Well Fed to support the development of affordable and nutritious food. Both schemes are now closed for applications.</p>
	Unpaid Carers
1.07	<p>As part of the package of support for the cost-of-living crisis Welsh Government introduced a one-off £500.00 payment to all eligible unpaid carers in Wales who were in receipt of Carers Allowance on 31 March 2022.</p>

	<p>The payment was made in recognition of the increased financial pressures many unpaid carers have experienced during the pandemic, and to help with some of the additional costs they have incurred. The payment was targeted towards those individuals who care for someone for at least 35 hours a week and have low incomes.</p> <p>Individuals are not eligible for the payment if:</p> <ul style="list-style-type: none"> • they have an underlying entitlement to Carers Allowance but do not receive a payment because they are in receipt of another benefit at the same or higher rate; or • they receive a carer premium within a means tested benefit. <p>Registration commenced on 16 May 2022 to 15 July 2022. Payments for successful claims were made from June through to the end of November 2022.</p> <p>Following successful promotional activity through our Corporate Communication routes and Social Services, a total of 2,324 applications were received, 1,695 payments of £500.00 were made totalling £847,500.</p>
	<p>Winter Fuel Support Scheme 2022/23</p>
<p>1.08</p>	<p>On 20th July 2022 the Welsh Government announced the 2022/23 Fuel Support Scheme. The scheme was open for applications from 26th September 2022 to 28th February 2023 and was for households who were in receipt of an eligible benefit between 1st September 2022 and 31st January 2023.</p> <p>Eligible households could claim a one-off £200.00 payment from their local authority to provide support towards paying their fuel bills. The payment was available to all eligible households regardless of how they pay for their fuel, whether that is, for example, on a pre-payment meter, by direct debit or by paying a bill quarterly.</p> <p>A total of 15,955 Flintshire households received the £200.00 payment, resulting in Flintshire households benefiting from £3,191,000.</p> <p>7,868 of the payments were issued automatically as the households were in receipt of Council Tax Reduction Scheme (CTRS) and their bank account details were already as obtained as part of the Cost-of-living Scheme (COLSS).</p> <p>A further 482 Council Tax Reduction Scheme households were identified as eligible but despite numerous attempts the bank details could not be obtained. So that they did not miss out financially the £200.00 was credited to their Council Tax account, giving them the choice of a full refund once bank details were received or reduced instalments on their Council Tax bill.</p> <p>The remaining payments were issued following receipt of a registration form completed by the customer.</p> <p>A targeted take up campaign was carried out to raise awareness of the scheme and maximise take up. This involved:</p>

	<ul style="list-style-type: none"> • Asking all schools to share the scheme in their chosen communication method. • Tweeting twice a week. • Issuing an email to all Flintshire Residents signed up via GovDelivery. • Promoting internally to staff via infonet. • Advising new customers of the scheme as they become entitled to CTRS/HB, via their notification letters. • Asking members to raise awareness within their constituents. • Contacting customers who were in receipt of a Council Tax exemption due to a disability to make them or their carer aware of the scheme. <p>Contacting all customers on CTRS who had not provide their bank details via the registration form. This was by either phone or letter, and to speed up the process, where the customer was happy, we completed the form over the phone there and then.</p>
	<p>Energy Bills Support Scheme – Alternative Fund (EBSS-AF)</p>
<p>1.09</p>	<p>The Energy Bills Support Scheme Alternative Funding (EBSS-AF) is providing support of £400.00 for energy bills for households in England, Scotland, and Wales without a direct relationship to a domestic electricity supplier. This support is provided by His Majesty’s Government and is delivered by local authorities. The scheme is now open to all eligible households across Great Britain until 31 May 2023.</p> <p>372 applications have been received and processed since the scheme opened. A total of 328 applications have been successful resulting in £131,200 payments issued.</p> <p>Take up on a local level has involved:</p> <ul style="list-style-type: none"> • Issuing an email to all Flintshire Residents signed up via GovDelivery. • Promoting internally to the workforce via infonet. • Asking members to raise awareness within their constituents. • Asking Social Services to raise awareness to Care Home Residents. • Contacting Housing Associations to ask them raise awareness to tenants. • Asking Deputyship Team to support clients with their applications. • Working with the Gypsy Traveller Liaison Officer to ensure awareness is raised and support is provided with applications. • Promoting via Twitter and Facebook. • Accommodation Support Officers individually contacting Council Tenants to ensure they are aware and provide support with applications.
	<p>Alternative Fuel Payment – Alternative Fund (AFP-AF)</p>
<p>1.10</p>	<p>The Alternative Fuel Payment - Alternative Funding (AFP-AF) is providing support of £200.00 for households that use alternative fuels, such as</p>

	<p>heating oil, biomass, and liquefied petroleum gas (LPG). This support is provided by His Majesty's Government and is delivered by local authorities. The scheme is now open to all eligible households across Great Britain until 31 May 2023.</p> <p>946 applications have been received and processed since the scheme opened. A total of 756 applications have been successful resulting in £151,200 of payments issued.</p> <p>Take up on a local level has involved:</p> <ul style="list-style-type: none"> • Issuing an email to all Flintshire Residents signed up via GovDelivery. • Promoting internally to the workforce via infonet. • Asking members to raise awareness within their constituents. • Contacting Housing Associations to ask them raise awareness to tenants. • Asking Deputyship Team to support clients with their applications. • Working with the Gypsy Traveller Liaison Officer to ensure awareness is raised and support is provided with applications. • Promoting via Twitter and Facebook.
	<p>Universal Primary Free School Meals (UPFSM) and Eligibility Free School Meals (eFSM)</p>
<p>1.11</p>	<p>UPFSM is part of the Co-operation Agreement between the Welsh Government and Plaid Cymru, which will see school meals being available to all primary school pupils for free over the next three years regardless of household income.</p> <p>Welsh Government have given the commitment for a phased introduction of UPFSM to all primary school pupils by 2024 beginning with:</p> <ul style="list-style-type: none"> • Reception pupils - September 2022 • Years 1 and 2 – April 2023 <p>eFSM is a free school meal which is provided for pupils whose parents receive certain qualifying benefits:</p> <ul style="list-style-type: none"> • Income Support, • Income Based Jobseekers Allowance, • Support under Part VI of the Immigration and Asylum Act 1999, • Income-related Employment and Support Allowance, • Child Tax Credit, provided they are not entitled to Working Tax Credit and their annual income does not exceed £16,190, • Guarantee element of State Pension Credit, • Working Tax Credit 'run-on' - the payment someone may receive for a further four weeks after they stop qualifying for Working Tax Credit or Universal Credit. • Universal credit (If earned income is included in the assessment of UC it must be less than £616.66).

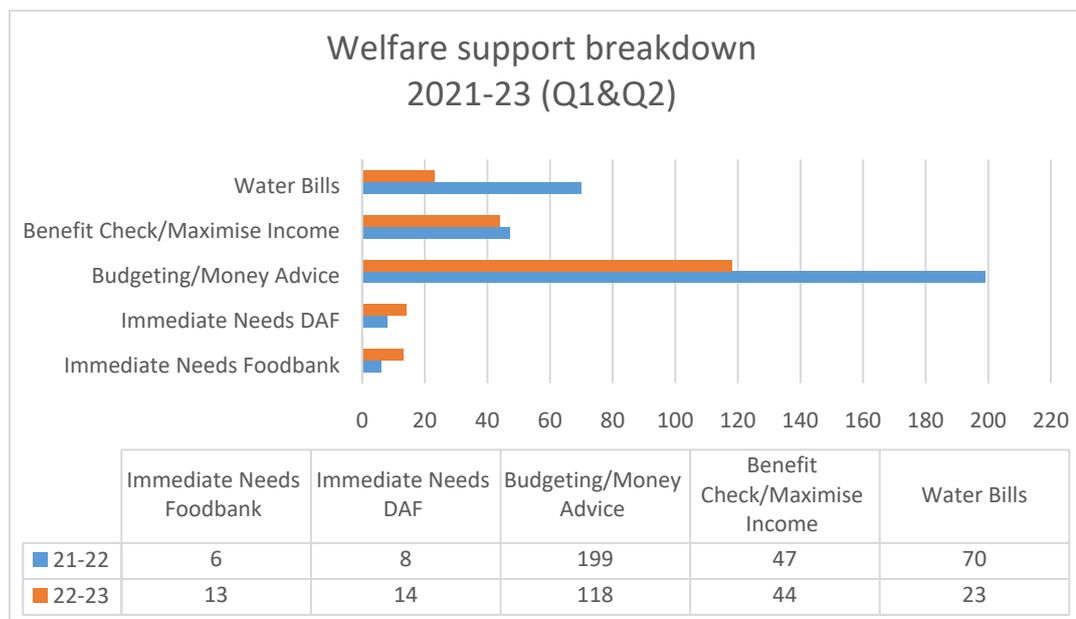
	<p>eFSM must be claimed for by completing an application form.</p> <p>Even though the roll out of UPFSM began in September 2022, and eligible year groups have begun to receive free school meals, families who are eligible for eFSM should continue to use the eFSM application process.</p> <p>Failure to claim eFSM could mean they miss out on other benefits such as Uniform Grants but will also affect the funding schools receive via the Pupil Deprivation Grant (PDG). It is therefore vital to keep promoting and raising awareness of eFSM via schools, etc.</p>
	<p>School Essentials Grant (Uniform Grants)</p>
<p>1.12</p>	<p>Children whose families are on lower incomes and qualify for certain benefits can apply for School Essentials Grant.</p> <p>To be eligible to apply, parents must already be in receipt of, or applying for Free School Meals (eFSM) based on the following income:</p> <ul style="list-style-type: none"> • Income Support, • Income Based Jobseekers Allowance, • Support under Part VI of the Immigration and Asylum Act 1999, • Income-related Employment and Support Allowance, • Child Tax Credit, provided they are not entitled to Working Tax Credit and their annual income does not exceed £16,190, • Guarantee element of State Pension Credit, • Working Tax Credit 'run-on' - the payment someone may receive for a further four weeks after they stop qualifying for Working Tax Credit or Universal Credit. • Universal credit (If earned income is included in the assessment of UC it must be less than £616.66) • All looked after children qualify for the grant, whether they receive free school meals or not. <p>Learners who receive free school meals due to transitional protection arrangements do not qualify.</p> <p>If eligible they will receive a grant of:</p> <ul style="list-style-type: none"> • £225.00 per learner • £300.00 for learners entering year 7 (to help with increased costs associated with starting secondary school) <p>All compulsory school years from reception to year 11 are now eligible.</p> <p>Families are only entitled to claim once per child, per school year.</p> <p>The School Essential grant runs from 01/07 to 30/06 each year. The grant for the 22/23 academic year therefore closed on 30/06/23 and the grant for the academic year 23/24 opened on 01/07/23.</p>

The above amount includes an extra payment of £100.00 for the 22/23 academic year only.

A targeted Take Up campaign is due to be carried out throughout June to ensure as many families as possible benefit from this grant. We will be identifying children who are eligible for eFSM but have not claimed a School Essential Grant to encourage and support them to submit the claim form.

Welfare Support

1.13 The number of residents needing support and advice (approx. 10.5% increase) to help manage finances continues to see a rise in demand when comparing 2021-22 and 2022-23 Figures are shown in the chart below:



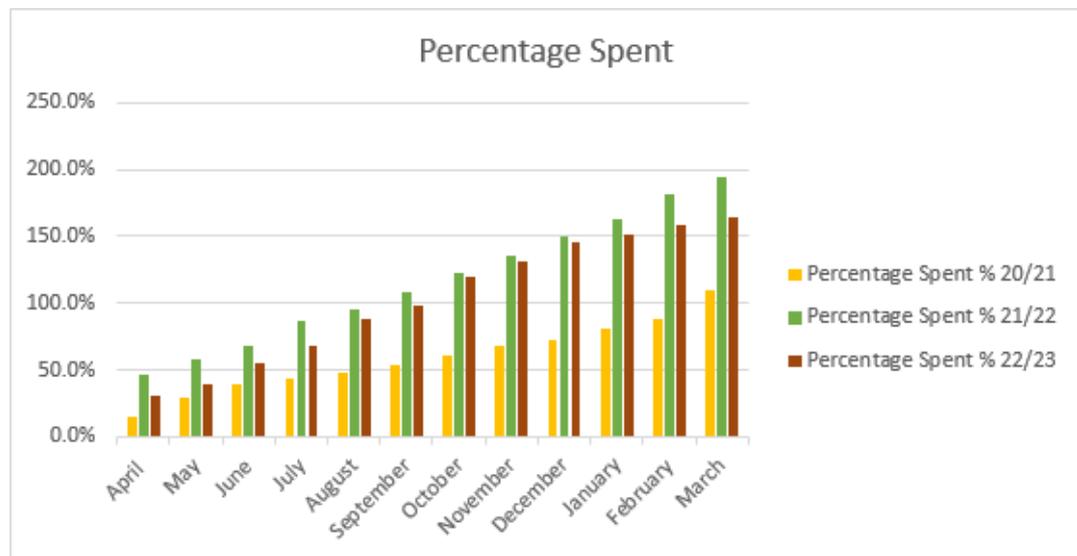
The chart above shows that demand continues, and the area of growth continues to be around support for immediate needs items such as Foodbanks and Discretionary Assistance Fund.

It is envisaged that with the ongoing cost of living crisis that this will continue to increase in demand during 2023/24.

Discretionary Housing Payments (DHP's)

1.14 Discretionary Housing Payments (DHPs) are payments that may be made by the Council to people that are receiving Housing Benefit or Universal Credit (housing element), but who may still need further financial help with their housing costs.

The charts below shows the expenditure over the past three years. The expenditure shows continuing demand. However, it is important to note that the DHP expenditure provided by Government to the Council has not always increased.



The chart shows that current expenditure continues to be fully spent due to the ongoing demand. In addition to the funding provided by DWP, further funding via Homeless prevention has enabled additional households to be supported with DHP.

Bedroom Tax under-occupancy is still the most common reason for DHP applications which indicates that finding available suitable accommodation remains difficult for customers.

Our current benefits data shows that 79% of those receiving Housing Benefit and subject to MRSS are not claiming DHP. However, DHP may not be appropriate for all households due to various reasons such as income.

Additionally, it reflects that there are an increasing number of people in need of support and assistance so they can pay their rent.

1.15 During this financial quarter, the Welfare Response team targeted support to households to help access benefits to help increase potential household income.

- households were identified who access Disabled Facilities grants and may receive Council Tax Reduction (CTR).

	<ul style="list-style-type: none"> • Changes in the process have been made to ensure that more households are signposted to claim CTR earlier. • Identification of cases where HB in payment and no CTR. Identify and target cases who receive Housing Benefit and subject to MRSS where DHP is not in payment to help support vulnerable households. • Target Pension age residents who may be entitled to additional support by claiming Pension Credit and CTR. • Further work is being undertaken to promote awareness and applications for those with potential entitlement to CTR as application numbers have dropped across Wales and will help to reduce Council Tax arrears.
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2.00	RESOURCE IMPLICATIONS
2.01	Resource levels continue to be reviewed to ensure sufficient capacity is directed to areas with the greater level of demand.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	To monitor DHP expenditure as demand is expected to exceed the DWP funding allocation to the LA due to higher rental costs and reduction in available accommodation following amendments to the Rent homes Wales Act 2016 and replaced by Renting Homes (Amendment) (Wales) Act 2022.
3.02	To mitigate where possible demand on DHP funding by fully utilising additional Homeless Prevention funding for DHP applications.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<ul style="list-style-type: none"> • Welfare Reform Act 2012 • Housing (Wales) Act 2014 • Renting Homes Wales Act 2016

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Jen Griffiths, Service Manager – Housing Welfare and Communities</p> <p>Telephone: 01352 702929</p> <p>E-mail: Jen.griffiths@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Discretionary Housing Payment: (DHP's) is a discretionary payment which can help towards housing costs and a person is entitled to Housing Benefit or the Housing Costs element of Universal Credit.</p> <p>Eligible Rent: this is the amount of rent (net of any ineligible services) that a claim for housing benefit or universal credit is calculated from.</p> <p>Ineligible Services: these are charges that may be included in rent that are not eligible for support through either housing benefit or universal credit. Such as: heating; lighting; hot water; meals.</p> <p>Housing Benefit: helps contract holders pay all, or part of their rent if they have a low income. Housing Benefit is administered by Local Authorities.</p> <p>Registered Social Landlord: (RSL) are not-for-profit organisations that aim to provide good, low-cost accommodation.</p> <p>Spare Bedroom: in the context of the spare room subsidy (or bedroom tax) this is where there are more bedrooms in the property than the household need. For example, a single person living in a two-bedroom house would be deemed as having one "spare" bedroom.</p> <p>Universal Credit: (UC) is an integrated means-tested benefit for people of working age whose income is below a specified minimum amount. UC can be claimed by working aged people in and out of employment.</p> <p>UC Managed Migration: Managed migration describes the transfer of existing legacy benefit claims to Universal Credit, where there has not been a change of circumstances that has resulted in a 'natural' transfer to Universal Credit.</p> <p>Welfare Reforms: changes introduced to a range of social security benefits and tax credits, which aim to ensure that the United Kingdom has an affordable benefit system.</p>