

Welfare Reform Sub-Committee

Minutes of a meeting held on Monday 6 October 2014 at 4.00pm, The Kasen Room, East Northamptonshire House, Thrapston

Present:

Councillors: Andy Mercer (Chairman)
 Glenvil Greenwood-Smith (Vice-Chairman)
 Richard Lewis

Officers: Glenn Hammons – Chief Finance Officer
 Lisa Hyde – Head of Customer and Community Services
 Richard Hadden – Revenue Manager
 Lucy Hogston – Benefit Manager
 Kelly Watson – Finance Manager

1.0 APPOINTMENT OF CHAIRMAN AND VICE-CHAIRMAN

RESOLVED:

That Councillor Andy Mercer be appointed Chairman and Councillor Glenvil Greenwood-Smith be appointed Vice-Chairman of the Sub-Committee for the year 2014-15.

2.0 MINUTES

2.1 The minutes of the meeting held on 27 November 2013 were approved as a correct record.

3.0 APOLOGIES FOR ABSENCE

3.1 Apologies for absence were received from Councillors John Farrar, Steven North and Jeremy Taylor.

4.0 DECLARATIONS OF INTEREST

4.1 The following declarations of interest were made:

Councillor	Item	Nature of Interest	DPI	Other Interest
Andy Mercer	6 (Impact of Welfare Reform Changes	Employee of business effected by welfare reform changes		Yes

5.0 IMPACT OF WELFARE REFORM CHANGES

- 5.1 The Sub Committee considered a report outlining the impacts associated with changes made to the benefits scheme from 1 April 2013, arising from the Welfare Reform Act 2012.
- 5.2 The national phased roll-out of the Benefit Cap started on 15 July 2013 with the implication that workless households would no longer receive more in benefits than the average earnings of a working household. During 2013/14 there were 19 families affected by the cap and to date in 2014/15 there 15 'capped' cases in the district.
- 5.3 Following the abolition of Community Care Grants and Crisis Loans, Northamptonshire County Council had developed a scheme for Emergency Help and Sustaining Independent Living (SIL). The SIL scheme was intended to help people who could not receive help from any other source and at the time of writing the report, there had been 27 approved applications from East Northamptonshire since 1 April 2014.
- 5.4 From 1 April 2013, changes were made to the way that housing benefit was calculated for working age individuals living in accommodation let to them by a local authority, registered housing association or other registered provider of social housing. The effect of the change, known as the 'Spare Room Subsidy', was to restrict the size of property that housing benefit would pay for, based on who live in the property. On 1 April 2013, there were 585 individuals under-occupying and that figure had reduced to 457 at the time of the meeting.
- 5.5 It was noted that there had been a significant increase in the number of customers applying for Discretionary Housing Payments compared to the 33 applications made in 2012/13. In 2013/14, 178 applications were received, with 134 being successful. As of 1 August in the current financial year, 55 applications out of 79 had been successful. The majority of those applications had been received from customers affected by the Removal of Spare Room Subsidy Regulations that became effective on 1 April 2013. Members noted that 68% of the grant from the Department of Work and Pensions (DWP) had been spent in 2013/14 and the amount spent or committed for 2014/15, as at 1 August, was £37,533, which represented 37% of the overall grant figure.
- 5.6 The sub-committee noted that Disability Living Allowance had been fully replaced by Personal Independence Payments (PIP) for people aged 16 to 24 from 10 June 2013 for new claims. 79 individuals in East Northamptonshire were reported as being in receipt of PIP and a further 1306 currently in receipt of DLA would be reassessed for PIP from October 2015.
- 5.7 It was reported that the number of homelessness applications had not increased as a result of welfare reform. However, it was noted that there had been an increase in the number of individuals asking for housing advice and registering on the housing list with a view to finding alternative accommodation. The number of individuals requiring Housing Benefit and Council Tax Support assistance from the council had reduced from 5,609 on 1 April 2013 to 5,113 on 1 August 2014. This reduction was attributable to more changes in circumstances with individuals finding employment.
- 5.8 Reference was made to the introduction of Universal Credit, which will replace:
- Income-based Jobseeker's Allowance
 - Income –related Employments and Support Allowance

- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit

It was reported that the Government has confirmed its intention to deliver Universal Credit safely and securely by 2017. There was agreement that members would monitor the planned implementation vigilantly to manage the local impact.

- 5.9 It was noted that it was likely that three ENC officers who form the fraud team would be “in scope” to transfer to the DWP on 1 December 2014 as part of the establishment of a Single Fraud Investigation Service. However, it was further noted that fraud investigation work in respect of the Local Council Tax Support Scheme would be retained as a function of the council.

RESOLVED:

1. That the report be received and noted.
2. That the thanks of the Sub-Committee be passed to officers within Customer and Community Services for effectively administering welfare reform locally.

6.0 COUNCIL TAX SUPPORT SCHEME 2015/16

- 6.1 The Sub-Committee considered an update on council tax collection, which also provided an analysis of amending the local Council Tax Support (CTS) scheme and the continued impact of council tax technical reforms on workload.
- 6.2 It was noted that collection of council tax from CTS payers in the first quarter was 2.5% down compared to first quarter performance in 2013/14. However, overall Council Tax collection was 0.33% up on the same period from the previous year. Debt recovery offices had worked closely with CTS customers who had experienced financial difficulty and special payment arrangements had been made in many cases. It was reported that 91 customers had not engaged and owed a total of £23,000 and it was considered appropriate to refer these cases to the council’s Enforcement Agent for collection.
- 6.3 Members noted that the change to council tax exemptions for empty properties in April 2013 had led to a sustained increase in the number of enquiries received from owners and tenants of rented properties, regarding disputed tenancy end dates, which had require considerable additional officer time to resolve. Although, it was reported that the level of queries was expected to abate as tenants and owners became more familiar with the new arrangements.
- 6.4 Reference was made to the 10% reduction in government funding for CTS in 2014/15 which had been offset, in part, by changes in the level of support for working age customers. The Government had indicated that reductions in the region of a further 13% to the formula funding received by the council could be expected in 2015/16. The report indicated that it was assumed that CTS would reduce in line with the reduction expected in the general government grant.
- 6.5 Consideration was given to the financial modelling and options available for a CTS scheme in 2015/16, which included forecasts at 12.5%, 15%, 20% and 25% and the

estimated financial effects. The modelling indicated that the current CTS scheme would be self-financing in 2015/16, however further modelling would be required during 2015/16 to ensure that continuing financial sustainability of the scheme in future years.

- 6.6 Members acknowledged that the impact of the CTS scheme in 2013/14 and 2014/15 and changes to council tax discounts and exemptions would be key considerations in determining the scheme for 2015/16. It was also noted that although the council had introduced various strategies to ensure that affected customers were given appropriate advice and support to encourage payment, there were still a number of individuals who would not engage and that had been reflected in the drop in collection rate for that group of customers when the minimum amount of liability they were due to pay increased from 8.5% to 12.5%.
- 6.7 It was noted that public consultation would be required if members proposed a change to the scheme. It was reported that a provisional timetable was in place in the event of any change being proposed and consultation would take place during October and November 2014, with all current claimants being contacted in writing. It was anticipated that the chosen scheme would be recommended for approval by full Council on 15 December 2014.

RESOLVED:

1. That Council Tax Support Scheme cases be passed to the council's Enforcement Agent for collection.
2. That the Council Tax Support Scheme be reviewed during 2015/16 to ensure that a financially sustainable scheme is in place for 2016/17.

RESOLVED TO RECOMMEND TO COUNCIL:

1. That the local Council Tax Support Scheme for East Northamptonshire remain unchanged in 2015/16.

(Reason – to deliver a Council Tax Support scheme for 2014/15 that meets all statutory requirements)

Chairman