

WELWYN HATFIELD COUNCIL  
CABINET – 2 AUGUST 2016  
REPORT OF THE DIRECTOR (FINANCE AND OPERATIONS)

COUNCIL TAX SUPPORT - HARDSHIP RELIEF & DISCRETIONARY HOUSING  
PAYMENT UPDATE

**1 Executive Summary**

- 1.1 This report provides Cabinet with a quarterly update on the award of council tax support hardship relief and discretionary housing payments (DHP) following the 2013 Welfare Reform Changes.
- 1.2 The purpose of this report is to review the working of the hardship relief scheme on a quarterly basis in order to enable Cabinet to gauge the effectiveness of the scheme and the size of the fund.

**2 Recommendation(s)**

- 2.1 Cabinet is asked to note the contents of this report.

**3 Explanation**

- 3.1 Hardship relief is available to recipients, who have seen a reduction in the council tax support they receive, to assist them with the burden of an increase in their council tax payments. The amount of relief local authorities can award is not capped but the relief awarded has to be fully funded. This follows the April 2013 introduction of a council tax reduction scheme to replace council tax benefit.
- 3.2 DHPs are not part of the housing benefit scheme and can be made, subject to an annual cash limit, where a person is entitled to housing benefit and the person is in need of further financial help to meet any shortfall in their housing costs. The guidelines for awarding DHPs are based on Government guidelines and were drawn up following consultation with the CAB and money advice service. The process has since been reviewed and updated to accommodate changes in legislation.
- 3.3 Payment of both DHP and hardship relief is considered for those who meet the qualifying criteria. Every application, for both forms of relief, has been treated on its individual merits. The guidelines for awarding relief support vulnerable people, and help those residents who are experiencing financial difficulties and are trying to help themselves. The award of relief is generally only on a short term basis and not seen as a long term way of continuing to supplement a reduction in the award of council tax support or housing benefit.
- 3.4 Since April 2016 we received:
- 3.5 59 applications for council tax support hardship relief. Relief has been awarded to 58 council tax payers. The relief has generally been for a period of 13 weeks.

There were 72 applications and relief was awarded to 67 council tax payers over the same period in 2015/16.

- 3.6 173 DHP applications. DHP has been awarded to 150 benefit claimants. The relief has generally been for a period of 26 weeks. There were 198 applications and relief was awarded to 165 benefit claimants in 2015/16.
- 3.7 The main reason given in applications for needing hardship relief and DHP is claimants experiencing financial difficulties due to no longer receiving 100% support towards their council tax liability, or having housing benefit restricted due to under occupancy. Despite a reduction in the volume of claimants receiving hardship and DHP there has been an increase in the amount awarded. This follows consultation with Housing who found their tenants had difficulty in submitting regular reclaims, so the duration of an award has increased. There have also been higher value DHP awards in the private sector.

## **Implications**

### **4 Legal Implication(s)**

- 4.1 The Local Government Finance Act 2012 imposed a duty on local billing authorities to introduce a localised council tax reduction scheme, which will need to protect support for vulnerable people, pensioners and support the reduction of poverty.

### **5 Financial Implication(s)**

- 5.1 The cost of awarding hardship relief up to 30 June 2016 was £4,933.39. There is a budget of £25,000 for awarding this relief. £4,211.09 was awarded for the same period last year.
- 5.2 The cost of awarding DHPs up to 30 June 2016 was £44,830.65. £35,404.26 was awarded for the same period last year.
- 5.3 For 2016/17 we have received £219,731 government funding to award DHPs. We also have Housing Revenue Account funding to assist our tenants should we exceed this threshold. There is a £549,328 ceiling on the level of DHP we can award.

### **6 Risk Management Implications**

- 6.1 Those people who are on a means tested benefit required to meet their basic living needs could also be in receipt of council tax support which they require to meet their council tax liability. The changes made to the original national benefit scheme resulted in a reduction in the amount of council tax support some claimants of council tax benefit used to receive. These claimants could need some additional support to pay their council tax bill which was previously partially or fully covered by benefits.

### **7 Security & Terrorism Implication(s)**

- 7.1 There are no security and terrorism implications with the recommendation in this report.

**8 Procurement Implication(s)**

8.1 There are none.

**9 Climate Change Implication(s)**

9.1 The proposals in this report will not impact on green house gas emissions.

**10 Link to Corporate Priorities**

10.1 The subject of this report is linked to the Council's Corporate Priority: Engage with our communities and provide value for money.

**11 Equality and Diversity**

11.1 There are no implications. A full and detailed Equality Impact Assessment has been carried out in connection with the Council's localised council tax reduction scheme. An initial impact assessment on the council tax support hardship relief scheme and the DHP scheme was carried out and there were not any differential impacts identified.

Name of author	Farhad Cantel
Title	Client Support Services Manager
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