

WELWYN HATFIELD COUNCIL  
CABINET – 8 AUGUST 2017  
REPORT OF THE EXECUTIVE DIRECTOR (RESOURCES, ENVIRONMENT AND  
CULTURAL SERVICES)

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 on-going Welfare Reform Changes.
- 1.2 The purpose of this report is to report 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.
- 3.4 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.

- 3.5 Since April 2017 we have received:
- 3.6 75 applications for council tax support hardship relief. Relief has been awarded to 71 council tax payers. The relief has generally been for a period of 13 weeks. There were 59 applications and relief was awarded to 58 council tax payers over the same period in 2016/17.
- 3.7 200 DHP applications. DHP has been awarded to 160 benefit claimants. The relief has generally been for a period of 13 or 26 weeks. There were 173 applications and relief was awarded to 150 benefit claimants over the same period in 2016/17.
- 3.8 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 trying to deal with some of the welfare reform changes which have reduced their entitlement to benefit. DHP awards are generally awarded for a 13 week period but this is now extended, where appropriate, to 26 weeks or longer where necessary. 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 which are reflective of the trend for increased rent levels.

### **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 2017 was £5,881.17. There is a budget of £25,000 for awarding this relief. £4,933 was awarded for over the same period in 2016/17.
- 5.2 The cost of awarding DHPs up to 30 June 2017 was £58,816.25. £44,831 was awarded over the same period in 2016/17.
- 5.3 For 2017/18 we have received £306,531 government funding to award DHPs. This is an increase on previous years to assist with the welfare reform changes. We also have the possibility of Housing Revenue Account funding to assist our tenants should we exceed this threshold. There is a £766,328 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.

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Date	July 2017