



Scrutiny Committee
27 November 2017

Report from Director of Resources

For Information

Welfare, Benefits and Customer Service provision for vulnerable residents

Wards Affected:	All
Open or Part/Fully Exempt:	Open
No. of Appendices:	5
Background Papers:	None
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1.0 Summary

- 1.1 This report has arisen from the concern that vulnerable residents may slip through Council services due to not meeting the various criteria and thresholds for help. It identifies the key factors that decide if a resident is “vulnerable” within the welfare and benefits functions that the Council delivers. It also seeks to compare these factors between different schemes and with other local authorities, where appropriate and / or possible.
- 1.2 In addition, the degree of scope for the Council to review or change its qualifying criteria within local schemes will be clarified, along with the processes and timelines for doing this.
- 1.3 Secondly the report provides an update on the former Community Access strategy (digital element), which has more recently been superseded by objectives within the Brent 2020 and Digital Strategy, and the remodelling of Brent Customer Services which was piloted during Summer 2017 and agreed by Cabinet on 13 November 2017.

2.0 Recommendations

2.1 Members are asked to note:-

- 2.1.1 The provisions currently made for “vulnerable” residents in various welfare and benefit schemes administered by the Council, how these compare with each other and with provision offered by other local authorities.
- 2.1.2 The scope and timescales for review and change of local welfare provision under the control of the Council
- 2.1.3 The Council’s changing customer service offer under the Brent 2020 and Digital Access Strategy.

3.0 Executive summary

- 3.1 The Council is responsible for the administration and delivery of both national welfare benefit schemes (Housing Benefit (HB) and various government welfare reforms) and a number of local schemes designed by the Council including: Council Tax Support (CTS), Discretionary Housing Payments (DHP) and Local Welfare Assistance (LWA). There are a variety of allowances and exceptions allowed for certain claimant groups within each of these schemes which can be broadly interpreted as indicators of assistance available for “vulnerable” residents, although there is no uniform definition of vulnerability between the various schemes.
- 3.2 The national HB scheme has a wide range of provisions for “vulnerable” claimants however welfare reforms such as the Overall Benefit Cap and Bedroom Tax, are applied on top of the HB assessment, are cruder mechanisms with far fewer protections for claimants. The needs of vulnerable claimants affected by these welfare reforms are more likely to be addressed via the Council’s DHP and LWA schemes, though these generally cater for shorter-term needs.
- 3.3 The Council theoretically has wide discretion in the provisions it makes for local CTS, DHP and LWA, subject to some legislative stipulations, and Brent’s schemes offer amongst the broadest range of protections and eligibility for these various forms of help, when compared to other Councils’ arrangements, apart than those which have completely mirrored previous national provision within their local schemes. However in reality there are limits to the help which claimants can receive under these schemes and policies, as the Council has to consider the extent to which it can provide assistance / exemptions against the overall cost of scheme provision to the Council.
- 3.4 The Council’s CTS and LWA schemes will be considered for review during 2018. The DHP policy is reviewed annually but is dependent on a ring-fenced grant provided by the Department of Work & Pensions (DWP) as well as on customer demand levels, which are likely to rise in 2018/19 due to the rollout of the Full Universal Credit (UC) scheme in Brent.
- 3.5 The Community Access Strategy agreed by Cabinet In October 2014 is no longer in delivery as this has been superseded by the Brent 2020 programme and the new Digital Strategy agreed by Cabinet in June 2017. Notwithstanding that the key aims of

the Community Access Strategy have been retained in Brent 2020 and the Digital Strategy, in particular the aim to ensure that residents are able to easily access services through digital channels and supported to use these wherever they can be expected to do so. Our most personalised support and help will be targeted to those who are most vulnerable, through face to face and telephone channels. It is clear that as our resources reduce, we cannot continue to stretch our resources to provide the same level of access choice to all residents, without adversely impacting on our ability to support those most in need.

- 3.6 Much has been done over the past 3 years to improve our digital offer for residents, with work completed on our Website and the creation of My Account, as well as services such as Parking which now has a comprehensive on-line offer. There are also many services that do not yet have a comprehensive digital offer and thus currently our residents may still be accessing these services through traditional channels. The Digital Strategy aims to develop on line access for all key services and thus facilitate a more consistent Brent access offer, with appropriate support and assistance available to those who may not feel confident using self service facilities or who are not yet familiar with them.
- 3.7 As new on-line / digital services have been implemented, equalities analysis have been carried out to evaluate the potential impact on protected / vulnerable groups and appropriate mitigation has been put in place to ensure that those residents are not adversely impacted. This has included the ability for all residents to use telephone access to order parking products such as visitor passes, help screens and simple videos to guide those accessing on line service via the web site, web chat facilities to enable quick enquiries to be raised whilst using on line facilities and the availability of face to face interviews or telephone support for those who are most vulnerable and unable to use digital channels.

4.0 **Detail**

National welfare benefits (delivered locally)

- 4.1 As a general point, there is no single definition of “vulnerable” in the Social Security or indeed other legislation, but this can be approximated by considering the differing legislative provision for various benefits and welfare restrictions from central government as well as local policy where applicable.
- 4.2 Also, although the Council only has the power to change the local schemes which it administers or its definition of “vulnerable” residents, it is useful to compare these with some national indicators of the same issues to compare with the Council’s approach where it does have discretion (see section 5).
- 4.3 The main national benefit administered by the local authority is **Housing Benefit (HB)**.
- 4.4 The HB scheme is relatively complex but in essence is a means test whereby the claimant’s household’s “minimum” needs (defined by allowances and premiums set by government) are compared with their income (subject to some disregards). If their

income is less than or equal to their prescribed needs, they receive maximum HB (itself subject to certain limits or caps); if their income is higher than their needs, the maximum benefit entitlement is reduced by 65p in every pound of “excess income”. This reduction is known as the taper.

4.5 A claimant’s needs are prescribed by a personal allowance for themselves and any partner or dependent children. In addition they receive additional allowances (“premiums”) if they are in certain predefined categories, namely:-

- Family premium
- Family premium (lone parent)
- Disability premium - Single person or couple rate
- Enhanced disability premium - Single / lone parent, couple or child rate
- Severe disability premium – Single or couple rate
- Disabled child premium
- Carer premium

4.6 While the Family and Carer Premiums effectively recognise the additional costs involved for those claimants who have dependent children, the various Disabled premiums give a reasonable approximation of the claimant groups that are considered “vulnerable” under the HB scheme. The detailed qualifying criteria for these premiums are shown in Appendix A. In this context, the vulnerability entitles the claimants to a greater “needs” allowance for comparison against their income; in other words they are able to receive more income before it exceeds their needs and the entitlement starts to be reduced by the taper.

4.7 Other national means-tested benefits work broadly the same way and provide similar allowances for claimants’ particular needs.

4.8 However, the government’s welfare reform programme since 2010 has entailed a number of further restrictions to (working-age) claimants’ benefits, pushing entitlements below the “minimum” needs prescribed in the existing legislation. (Pensioners are exempt from the cuts.) These cuts by definition are less discriminating than existing legislation but do contain various exemptions which themselves can be viewed as provisions for vulnerable claimants. These include:-

4.8.1 **Local Housing Allowance caps** – limits to the maximum amount of HB which claimants in the private rented sector can receive – no exemptions

4.8.2 **Social sector under-occupancy reduction (“Bedroom Tax”)** - limits to the maximum amount of HB which claimants in the social rented sector can receive if they have more bedrooms than they are deemed to need. There are limited exemptions for claimants –

- they are disabled and have an overnight carer
- they have a disabled child under 16 who is unable to share a room
- they are an approved foster carer who is between placements or newly approved

- they have a child away in the armed or reserve forces (if they plan to return to live with the claimant)
- if someone who normally lives with them is away for up to a year, and they intend to return and are away for particular reasons (for example, they are in hospital)

4.8.3 Further details of the conditions which apply to the exemptions are given in Appendix B

4.8.4 From the above it will be seen that the Bedroom Tax allows very few exemptions for “vulnerability”.

4.8.5 **Overall Benefit Cap (OBC)** – this limits the maximum combined entitlement of all the claimant’s welfare benefits (including HB) to £442 per week for couples and single parents, and £296 per week for single people living and claiming in London. (Lower rates apply in the rest of the country). Claimants are exempt from OBC if they, their partner or a child living with them qualify for any of the following benefits:-

- Working tax credit
- Attendance allowance
- Disability living allowance
- Personal independence payment
- Employment and support allowance (support component)
- Industrial injuries benefits (and equivalent payments as part of a war disablement pension or the armed forces compensation scheme)
- War widow or war widower’s pension

4.8.6 It can be seen therefore that exemptions from the cap are much stricter than the premium allowances applying within HB or other welfare benefit scheme provisions. It should also be noted that Personal Independence Payment (PIP) – another welfare reform which is gradually replacing Disability Living Allowance (DLA), has a far stricter eligibility test than DLA, and therefore fewer claimants receive it, meaning that fewer claimants are exempt from OBC under PIP than would have been under DLA.

4.8.7 **Universal Credit** – the government’s flagship welfare reform is in a number of respects less generous than the existing legacy benefits which it replaces, for example in its treatment of self-employed claimants or those who would currently be entitled to Working Tax Credit, as well as waiting periods for first payments and other aspects. In the context of this paper, the main welfare reforms to date, including LHA caps, Bedroom Tax and OBC, are all replicated within UC.

5.0 Local welfare provision

Council Tax Support (CTS)

- 5.1 Since 1 April 2013 the former national Council Tax Benefit scheme (CTB) was abolished and all Councils were required to develop their own “Council Tax Reduction Schemes” for working-age claimants, with funding reduced from the previous CTB provision. These “Council Tax Reductions” are classed as Council Tax discounts rather than welfare benefits. The Council has wide flexibility to set its own scheme parameters within certain very broad requirements.
- 5.2 Most Councils, including Brent, chose to operate a variation on the former CTB scheme, with amendments sufficient to deliver the scheme with the reduced funding. In Brent’s case the main mechanism for achieving the financial reduction was the requirement that most claimants are required to make a minimum contribution of paying 20% of their Council Tax liability. Following that deduction, CTS is calculated in a similar way to HB, with a comparison of the claimant’s minimum “needs” and their income, however with a taper of 30% (30p in the pound) applied to any “excess income” above the needs allowance.
- 5.3 Brent has replicated the various premiums from the HB calculation in its CTS provision, and therefore provides similar protections in the basic calculation. However, the scheme also recognises a number of vulnerable criteria which exempt claimants from the minimum 20% contribution. These are listed in Appendix C and can be seen to be slightly more generous than the prescribed HB lists referred to earlier.
- 5.4 Brent’s CTS caseload can be broken down as follows:-

Scheme	Customers
Pension Age	9423
Working Age Vulnerable	6457
Working Age Employed	5898
Working Age Other	5500
Total Working Age	17855
All Claimants	27278

- 5.5 From the above table it can be seen that 6457 (36%) of Brent’s working age CTS claimants are classed as vulnerable. The Council does have the ability to revise its scheme as it sees fit and therefore could devise a scheme which provided greater protections, though this would obviously cost more and therefore require cuts to other working age provision within the scheme or from other Council services. (Pensioners are protected by a nationally prescribed scheme which the Council has no control over.) The Council must also pay appropriate regard to a variety of other legislation including the Public Sector Equality Duty and other specific requirements including incentivising work within any scheme design it considers.
- 5.6 Set against this, Councils are operating in an increasingly difficult financial context requiring ongoing service cuts and the potential to redesign CTS schemes to make further savings in expenditure or administration. Such demands can clearly put pressure on the amount of discount (or exemptions) provided to all claimants, including the vulnerable.

- 5.7 Almost all Councils' current CTS schemes are variations on the previous national CTB scheme, with a range of variations. The most widely adopted variation is that of requiring a minimum contribution from claimants, which has been adopted by 264 Councils. In truth, it is very difficult to design a scheme which delivers the original 10% cut in funding from central government (in 2013) without including this measure. Contributory amounts currently range from 0% to 45% nationally (0% to 33% in London). Exemptions vary from council to council, but most are variations on similar themes to Brent's, which in itself tends to be one of the more encompassing lists.
- 5.8 A breakdown of minimum contributions for current CTS scheme in London authorities is provided in Appendix D.

Discretionary spending

- 5.9 Brent Customer Services administers two discretionary funds which are for the alleviation of hardship for benefit claimants, not exclusively aimed at those affected by welfare reforms, but heavily utilised by those residents:-
- 5.10 The **Discretionary Housing Payment (DHP)** fund has an annual government grant (which authorities may supplement with their own funds) to assist Benefit claimants (on HB or UC) who are experiencing hardship through housing-related costs. Priority areas are reviewed at least annually, with Lead Member oversight, and are aimed at encouraging desired claimant behaviour (eg seeking work) or as a safety net for the most vulnerable. Payments may be one-off (eg costs associated with moving to a more affordable property) or ongoing for prescribed periods (eg paying the shortfall in rent while the claimant undertakes a job brokerage course; or assisting a particularly vulnerable claimant to avoid homelessness).
- 5.10.1 The DHP scheme is not permitted to apply blanket rules and must consider each case on its own merits, however generally it has been developed to achieve the following core objectives:
- preventing homelessness
 - keeping families together
 - supporting the vulnerable and elderly in sustaining tenancies
 - enabling people to secure new sustainable tenancies
 - providing financial respite for people in short-term difficulty
 - incentivising people into and maintaining work
 - supporting people in education.
- 5.10.2 DHP's are primarily intended to assist with short-term needs associated with housing costs, though some longer-term needs are covered, subject to annual review. A significant proportion of the current expenditure covers awards made to incentivise attempts move into employment or move property (which obviously can also involve "vulnerable" claimants), but other awards made more specifically on grounds of vulnerability tend to cover such situations as:-

- **Social sector size criteria (Bedroom Tax):** DHP's awarded in relation to this cause of shortfall will primarily be made up of long term awards to disabled customers where a property that has been significantly adapted for disabled use or short term awards to enable people to search for alternative accommodation, look for lodgers or other solutions to such short-term issues
- **Serious / terminal illness:** People who have been diagnosed with a serious or terminal illness will fall into a vulnerable category and would usually be supported to remain in their property.
- **Pregnancy:** Those whose LHA (Local Housing Allowance) rate will shortly go up due to the birth of a child, and who at which point would receive an LHA equal to their liability.
- **Medical reasons:** For example, in the case of a couple, where they are unable to share a room because one of the couple needs a special bed which cannot reasonably be accommodated with just one bedroom and therefore the household requires an additional bedroom to the usual number allowed
- **Health issues:** People who have short-term health issues may be unable to move immediately or may need to be close to their current doctor/hospital whilst recovering. This could justify a short-term award to enable this person to stay in their property whilst recovering.
- **Exceptional Hardship:** Where a customer's circumstances do not fit into one of those prescribed, and having regard to the financial constraints imposed on Brent by the available funding, a discretionary award may be made by a decision maker where they consider that a customer's circumstances are exceptional and that significant hardship may result in not awarding a DHP.

5.10.3 Brent's 2017/18 DHP budget is £2.68M and is broadly expected to be spent as follows:-

Reason for DHP award	Amount (£)	% of budget
Bedroom Tax	£533,670	20%
Overall Benefit Cap	£1,067,338	40%
Other housing related initiatives	£266,835	10%
Employment related incentives	£266,835	10%
Other vulnerable reasons	£533,670	20%

Universal Credit (UC)	£10,000	< 1%
Total	£2,678,348	

5.10.4 It should be noted that most DHP awards (eg to claimants under the Bedroom Tax, OBC or “other housing” categories) will often be to claimants who would also be considered “vulnerable”. It should also be noted that DHP payments to UC claimants are currently minimal, however Brent is scheduled to go fully live with UC from August / September 2018 and a significant increase in demand on the DHP fund is expected as a result.

5.10.5 A link to Brent’s DHP policy for 2017/18 is provided in Appendix E.

5.11 Brent Customer Services also administers the Council’s **Local Welfare Assistance (LWA) scheme**. Similarly to CTS, this (non-mandatory) provision was delegated to local authorities in 2013 following the removal of the DWP’s Crisis Loans and Community Care Grants schemes. Brent introduced local variants on the former DWP schemes with the exceptions that its Crisis and Community awards are non-repayable payments rather than loans, and a number of changes to the conditions for entitlement.

5.11.1 LWA provides emergency payments to vulnerable residents in crisis situations or for large one-off costs (eg white goods). Its primary objectives are to:-

- help people in short-term need because of a crisis or emergency
- support vulnerable people in the community
- ease exceptional pressure on families

5.11.2 **Crisis payments** are awarded to cover short-term needs which prevent serious risk to the health and safety of a person or their family. They can also help with certain expenses in other emergency or disaster situations (such as fires or floods), for example, by replacing essential household equipment.

5.11.3 **Community payments** are primarily intended to help vulnerable people live as independent a life as possible in the community. They are generally made to cover the cost of furniture and white goods, connection and removal costs, minor repairs in certain types of accommodation, specific travel costs and some clothing and footwear (not school uniforms).

5.11.4 Residents in receipt of a wide range of welfare benefits (21 in total) are eligible to make a claim for a Crisis or Community Payment, subject to other qualifying conditions. The list of qualifying benefits and other conditions is shown in Appendix E.

5.11.5 DWP funded the LWA scheme for the first two years of its existence. The scheme now has no base budget but is currently being administered from reserves accumulated from underspends in the first two years. Current expenditure and administration costs are approximately £300K per annum which if maintained will enable current reserves to fund the schemes until the end of 2018/19. Options for delivering the scheme – or an alternative provision – beyond this are currently under consideration.

6.0 **Customer Access / Digital Strategy and future Customer Services provision**

- 6.1 As mentioned earlier in this report, Cabinet agreed a new Digital Strategy in June 2017 which aims to ensure that digital access becomes the channel of choice for residents accessing Brent services. Some Brent services have already developed a comprehensive digital offer and for these arrangements have been put in place to ensure that protected groups / vulnerable groups, are not adversely affected by these changes to access arrangements.
- 6.2 On 13 November 2017 Cabinet approved a formal change to the service model for Brent Customer Services which is responsible for many of the high volume transactional services for the Council, including Council Tax, Housing Benefit, Council Tax Support, Financial Assessments for Adult Social Care and concessionary travel applications (Blue Badges, Taxi Card and Freedom passes). Residents accessing these services will now be expected to use on-line self service facilities unless they cannot do so because they are vulnerable. Staff have been provided with guidance about residents who are likely to be considered vulnerable for example because of age, learning or physical disability, mental health and or literacy issue. However this guidance is not prescriptive and staff are encouraged to use their judgement to ensure that the appropriate level of support is made available to each resident.
- 6.3 These new arrangements were piloted by Customer Services between June and November 2017 and worked well, with significant reductions to the numbers of residents seen through traditional face to face interviews but concurrently a more responsive service to those who did need to see and officer face to face because of their vulnerability.

7.0 **Conclusion**

- 7.1 As this report has shown, there is a wide variety of approaches within the national benefits system and local welfare provision as to what may be termed a “vulnerable” resident. On top of this, any resident reliant on the welfare system in the first place could be said to have some element of (at least) financial vulnerability.
- 7.2 The main Housing Benefit scheme, despite (or more accurately because of) its complexity, is quite well equipped to reflect and adapt to the particular circumstances of the claimant. Brent’s current CTS scheme similarly reflects and responds to a large range of potential vulnerabilities within its parameters.
- 7.3 However the adaptability of the HB scheme is undermined by the far cruder mechanisms of the Bedroom Tax and the Overall Benefit Cap, which are far less discriminating in their targets. A great deal of the Council’s DHP and LWA budgets are therefore spent in safeguarding vulnerable residents affected by these factors. This is likely to continue – and indeed be exacerbated – by the full rollout of Universal Credit in Brent during 2018/19.
- 7.4 At the local level, the Council’s CTS scheme is broadly within the mid-range of Councils which apply a minimum contribution scheme, but has a wide range of exceptions to this requirement for vulnerable claimants. The exceptions are broadly

in line with other neighbouring boroughs. The Council will, however, face difficult decisions in future if it needs to make further savings from the scheme, while still considering claimants' financial positions – not least vulnerable residents.

- 7.5 All Councils' CTS schemes must be agreed by Full Council by 31 January of the year preceding the year it will be administered in. In other words Brent's CTS scheme for 2019/20 must be agreed by 31 January 2019. Officers will be modelling potential scenarios for the 2019/20 scheme early in 2018.
- 7.6 The Council's DHP budget is subject to government funding which is usually notified to the authority in January for the following financial year. Councils may supplement this funding but Brent has rarely done this in the past. In 2018/19 there are likely to be significant new demands on the scheme if the rollout of Universal Credit continues as scheduled. In terms of access to discretionary payments, the scheme is potentially open to all residents that are in receipt of HB or UC and require assistance with their housing costs, however the majority of payments are necessarily short-term in nature due to the size of the budget and the level of demand. The DHP policy is reviewed annually between January and March.
- 7.7 The Council's Local Welfare Assistance fund is also potentially availability to almost all residents in receipt of welfare benefits, though again it is focussed on alleviating short-term need (for crises or larger one-off payments). This scheme is also likely to come under additional pressure (particularly for Crisis Payments) when the Full UC service is rolled out in 2018/19, and there are currently no plans for the sustainability of the scheme beyond approximately April 2019. This service will therefore need to be reviewed during 2018, and alternative funding provision found if it is to continue in its current form.
- 7.8 The Council's Digital Strategy will significantly change the way in which residents access Brent services with an increasing emphasis on digital self-service / assisted self-service. This will ensure that our most personalised support can be targeted to those who are most vulnerable and unable to use digital channels. There is already a wide range of support available to assist residents to use self-service facilities, including floor walkers in the Customer Service Centre, officers available to handle webchat enquiries for those using on-line facilities, assistance from voluntary and community groups who have been trained on the use of these facilities and self service facilities available in every library as well as the Customer Services Centre and through Voluntary and Community organisations.

Appendices

Appendix A – qualifying criteria for premiums in the Housing Benefit scheme

Appendix B - exemptions to the Bedroom Tax and Overall Benefit Cap

Appendix C – exemptions within Brent's Council Tax Support scheme

Appendix D – minimum contributions for CTS schemes in London boroughs

Appendix E – link to Brent's DHP policy and LWA scheme qualifying criteria

Report sign off:

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