

PEOPLE SCRUTINY COMMITTEE

Date: Thursday 3 November 2016

Time: 5.30 pm

Venue: Rennes Room, Civic Centre, Paris Street, Exeter

Members are invited to attend the above meeting to consider the items of business.

If you have an enquiry regarding any items on this agenda, please contact Howard Bassett, Democratic Services Officer (Committees) on 01392 265107.

Entry to the Civic Centre can be gained through the Customer Service Centre, Paris Street.

Membership -

Councillors Wardle (Chair), Foale (Deputy Chair), Branston, Foggin, Hannan, Holland, Newby, Packham, Robson and Vizard

Agenda

Part I: Items suggested for discussion with the press and public present

1 Apologies

To receive apologies for absence from Committee members.

2 Minutes

To sign the minutes of the meeting held on 1 September 2016.

3 Declaration of Interests

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item.

Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

4 Local Government (Access to Information) Act 1985 - Exclusion of Press and Public

It is considered that the Committee would be unlikely to exclude the press and public during consideration of the items on this agenda, but if it should wish to do so, the following resolution should be passed:-

RECOMMENDED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting of the particular item(s) on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs of Part I of Schedule 12A of the Act.

5 Questions from the Public under Standing Order 19

Details of questions should be notified to the Corporate Manager Democratic and Civic Support at least three working days prior to the meeting. Further information and a copy of the procedure are available from Democratic Services (Committees) (Tel: 01392 265115) and also on the Council web site - www.exeter.gov.uk/decisions.

6 Questions from Members of the Council under Standing Order 20

To receive questions from Members of the Council to appropriate Portfolio Holders.

ITEMS FOR DISCUSSION

7 Housing Revenue/Account - Budget Monitoring to June 2016

To consider the report of the Assistant Director Finance.

(Pages 5 - 20)

8 People - Budget Monitoring to June 2016

To consider the report of the Assistant Director Finance.

(Pages 21 - 30)

ITEMS FOR CONSIDERATION BY THE EXECUTIVE

9 Exeter City Council Tax Support Scheme 2017/18

To consider the report of the Assistant Director Customer Access.

(Pages 31 - 68)

10 Discretionary Housing Payments Policy

To consider the report of the Assistant Director Customer Access.

(Pages 69
- 80)

Date of Next Meeting

The next scheduled meeting of the People Scrutiny Committee will be held on **Thursday** 5 January 2017 at 5.30 pm in the Civic Centre.

Find out more about Exeter City Council services by looking at our web site <http://www.exeter.gov.uk>. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on (01392) 265107 for further information.

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REPORT TO: SCRUTINY COMMITTEE - PEOPLE
DATE OF MEETING: 3 November 2016
REPORT OF: Assistant Director Finance
TITLE: Housing Revenue Account Budget Monitoring - September 2016

Is this a Key Decision?

No

Is this an Executive or Council Function?

No

1. What is the report about?

To advise Members of any major differences, by management unit, between the approved budget and the outturn forecast for the first six months of the financial year up to 30 September 2016 in respect of the Housing Revenue Account and the Council's new build schemes.

A budget monitoring update in respect of the HRA Capital Programme is also incorporated into this report in order to help provide a comprehensive financial update in respect of the Housing Revenue Account.

In addition to the budgetary over/under-spends reported to this committee, Appendix 1 also highlights further areas of risk, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring, by officers.

2. Recommendations:

That Members of Scrutiny Committee – People assure themselves that satisfactory actions are being undertaken by Officers to address the key areas of budgetary pressure highlighted in this report.

3. Reasons for the recommendation:

The Housing Revenue Account is a statutory account and local housing authorities have a duty to keep an HRA in accordance with proper accounting practices and to review the account throughout the year. This is the second quarterly financial update in respect of the HRA for 2016-17.

4. What are the resource implications including non financial resources

The financial resources required to deliver both housing services to Council tenants and to invest in new and existing housing stock during 2016-17 are set out in the body of this report.

5. Section 151 Officer comments:

This report has been prepared on behalf of the Section 151 Officer to set out the financial position of the Housing Revenue Account, as at 30 September 2016.

6. What are the legal aspects?

The Housing Revenue Account is framed by the Local Government and Housing Act 1989. This Act created the ring-fence and the structure within which the HRA operates and covers

the detailed operation of the HRA, including the credits (income) and debits (expenditure) which make up the account.

7. Monitoring Officer Comments:

This report raises no issue for the Monitoring Officer.

8. Report Details:

HRA BUDGET MONITORING TO 30 SEPTEMBER 2016

8.1 Projected Surplus/Deficit

During this period the total budget variances indicate that there will be a net surplus of £197,753 in 2016-17. This represents a reduction in net costs of £339,878 compared to the revised budgeted deficit of £142,125 for 2016-17; the main deviations from budget are set out below. Please also refer to Appendix 2.

Budget Heading	Forecast Budget Variance (Under)/Overspend	Explanation
Budgeted Deficit	£44,125	
Supplementary budget for Mobile Working	£70,000	Executive approved 12 July 2016
Supplementary budget for Low Maintenance and Painting	£28,000	Executive approved 12 July 2016
Revised Budgeted Deficit	£142,125	
Budget variances reported in September	£26,188	Scrutiny Committee – People 1 September 2016
Budget variances to be reported in September:		
Management Costs	(£28,000)	<ul style="list-style-type: none"> Savings in employee costs are expected due to vacant posts. Staff training in respect of the new housing management system is unlikely to take place until 2017-18. A saving is reported in the current financial year as the cost of staff training will be factored into next year's budgets.
Housing Customers	(£11,700)	<ul style="list-style-type: none"> A nil inflationary increase has been agreed with the cleaning contractor coupled with lower bank charges in respect of card payments.

Repairs & Maintenance Programme	(£272,500)	<ul style="list-style-type: none"> This represents a combination of forecast savings, most notably due to: <ul style="list-style-type: none"> A projected £150k saving in respect of external painting and low maintenance works to flats and houses. This is Year 1 of a new 7 year cyclical programme and survey results indicate a lower than anticipated level of external repairs to properties scheduled for 2016-17. Savings have also arisen in scaffolding costs, whereby a wash programme was completed from ground level on blocks at Bennett Square, Manston Rd and Prince Charles Rd. A reduction in asbestos survey costs following a change in contractor The volume of fire risk assessments are lower than anticipated as they are pending the appointment of a new contractor from January '17. In the interim, priority fire risk assessments are being undertaken.
Capital Charges	(£11,866)	Depreciation charges in respect of Knights Place and Rowan House have been transferred out as they are separately accounted for, please refer to paragraph 9.
Housing Assets	(£42,000)	The decant of tenants in ten LAINGS properties whilst a major refurbishment programme is undertaken are not all expected to take place this financial year. Higher than budgeted tender prices have necessitated an options appraisal and caused a delay in the project timetable. A saving is reported in 2016-17, as the cost of decanting tenants in 2017-18 will be factored into next year's budgets.
Total budget variances	(£339,878)	
Projected HRA surplus	(£197,753)	Transfer from HRA Working Balance

8.2 Impact on HRA Working Balance

The HRA Working Balance represents amounts set aside to help facilitate service improvements, repay debt or to provide investment in the stock in future financial years.

The forecast balance, as at 31 March 2017, is set out below:

Movement	2016/17
Opening HRA Working Balance, as at 1/4/16	£7,068,670
Forecast surplus for 2016/17	£197,753

Balance resolved to be retained (HRA contingency)	(£4,000,000)
Balance Available, as at 31/3/17	£3,266,423

8.3 HRA Available Resources over the Medium Term

The forecast HRA available resources for delivering both housing services and capital investment have been significantly affected by the requirement to reduce social rents by 1% each year over the next 4 financial years; 2016/17 to 2019/20.

Appendix 3 sets out the total forecast HRA available resources up to 2019/20, which reflects this Government policy.

8.4 HRA Capital Programme

The 2016-17 HRA Capital Programme was last reported to Scrutiny Committee – People on 1 September 2016. Since that meeting the following changes have been made that have increased the programme.

Description	2016/17	Approval / Funding
HRA Capital Programme	£16,929,810	
Budgets deferred to future financial years	(£2,443,410)	Executive 11 October 2016
Overspends declared	£18,130	Executive 11 October 2016
Revised HRA Capital Programme	£14,504,530	

8.5 Performance

The current HRA Capital Programme is detailed in Appendix 4. The appendix shows a total forecast spend of £12,038,520 compared to the £14,504,530 approved programme, a decrease of £2,466,010.

8.6 Capital Budget Variances

The details of key variances from budget are set out below.

Scheme	Forecast Overspend / (Underspend)	Explanation
Rendering of Council Dwellings	(£19,390)	This budget reflects the balance carried forward from 2015-16 for further rendering works. No sites have been identified for 2016-17.
Kitchen Replacement Programme	£120,000	The kitchen replacement programme was significantly curtailed for 2016-17 until the results of a comprehensive stock survey are known. Unfortunately, a higher number of kitchens in void properties have required replacing prior to re-let and based on current void patterns the budget will overspend.

Bathroom Replacement Programme	£90,000	The bathroom replacement programme was significantly curtailed for 2016-17 until the results of a comprehensive stock survey are known. Unfortunately, a higher number of bathrooms in void properties have required replacing prior to re-let and based on current void patterns the budget will overspend.
Common Area Footpath/Wall Improvements	(£100,000)	A saving can be reported in respect of repairs to a 2.3m high wall at Meadow Way in accordance with the latest pre-tender estimates.
Scheme	Budget to be deferred to 2017/18	Explanation
Programmed Re-roofing	(£100,000)	On a spend to save basis, the replacement of roofs at Taunton Close and Wellington Road have been accelerated in order to minimise repair costs due to their present poor condition.
LAINGS Refurbishments	£1,000,000	The extensive refurbishment of 17 LAINGS properties has been delayed as a result of higher than budgeted tender prices. An options appraisal is currently being undertaken.
Common Area Footpath/Wall Improvements	£350,000	Major works planned at Meadow Way will extend into 2017-18 and the budget has been profiled accordingly.
Electrical Re-wiring	£400,000	Slippage is expected in respect of electrical repairs to communal areas whilst capacity of the in-house electricians is reviewed.
Re-roofing Works Shilhay	£495,000	The design of the replacement roof is currently being finalised. The tender process is expected to commence in the next 4 weeks with the successful contractor starting on site in January and completing by September 2017. The budget has been re-profiled to reflect this estimated timetable.
COB Wave 2 – Rennes	£261,620	The budget for the

House car park		development of this site has been re-profiled in accordance with the latest cash-flow projections. Slippage of the main scheme occurred as asbestos removal was required prior to the car park demolition in August. Completion of this development is currently scheduled for September 2017.
Acquisition of Social Housing	£150,000	The acquisition of 3 new affordable housing units are expected to complete this financial year. Further spend of this budget is pending Section 106 negotiations and slippage into 2017/18 is expected.

9. COUNCIL OWN BUILD BUDGET MONITORING TO 30 SEPTEMBER 2016

The Council's own build properties at Rowan House and Knights Place form part of the overall Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing.

9.1 Projected Surplus/Deficit

During this period the total budget variances indicate that there will be a net surplus of £41,020 achieved in 2016-17, which will be transferred to the COB working balance. This represents an increase of £3,000 compared to the budgeted transfer to the working balance of £38,020.

MU Code	Management Unit	Budget Variance Overspend / (Underspend)	Explanation
85B5	COB	(£3,000)	Lower management costs due to vacant posts. The recovery of lost rental income and additional costs in previous financial years whilst snagging issues were resolved at Knights Place form part of a claim to the main contractor and have been highlighted as an area of budgetary risk.

10. How does the decision contribute to the Council's Corporate Plan?

The Housing Revenue Account contributes to two key purposes, as set out in the Corporate Plan; help me find somewhere suitable to live and maintain our property assets.

11. What risks are there and how can they be reduced?

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates. Appendix 1 sets out the risks identified, as at June.

In addition to individual areas of budgetary risk, the HRA is facing a broader financial risk in respect of the High Value Assets Levy, which may require the Council to make a payment to the Government in respect of its 'high value' housing. Due to the uncertainty regarding the definition of 'high value' and calculation of the levy payable, it is considered prudent to increase the HRA contingency from £3,000,000 to £4,000,000 over the medium term.

- 12. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

No impact

- 13. Are there any other options?**

No

Assistant Director Finance

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

Contact for enquiries:

Democratic Services (Committees)

Room 2.3

(01392) 265275

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AREAS OF BUDGETARY RISK**APPENDIX 1**

A number of areas of budgetary risk have been identified within the HRA, as follows:

Budget Title	Approved Budget	Risk
General Maintenance	£1,870,000 (revenue)	The volatility of the level of reported faults due to factors beyond the control of the Council, for example adverse weather conditions represent a budgetary risk. The impact of property inspections undertaken by the Housing Customer Team may also lead to the identification of additional repairs.
Rental Income from Dwellings	£19,110,000 (revenue)	Right to Buy sales, number of new tenancies set at convergence rent levels, number of days lost through major works, rent lost in respect of void properties and welfare reform changes (for which an increased bad debt provision has been made) all impact on the annual rental income. Rental income is slightly behind profile due to a rise in the level of arrears and a rise in the amount of rent lost through void properties.
St Loyes Extra Care	£4,294,120 (capital)	Tenders for the main construction contract have been returned and are now subject to external review. The overall cost of the scheme and cash-flow forecast for the project are pending the appointment of the main contractor.
Knights Place	No budget (capital)	Significant works have been required to resolve water penetration issues at Knights Place and the costs and associated lost rental income form part of a claim to the main contractor.

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HOUSING REVENUE ACCOUNTS BUDGET MONITORING 2016-17

APPENDIX 2

APRIL 2016 TO SEPTEMBER 2016

ACTUAL TO DATE				YEAR END FORECAST				
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code		APPROVED BUDGET	Qrt 1 FORECAST VARIANCE	Qrt 2 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£			£	£	£	£
341,039	265,642	(75,397)	85A1	MANAGEMENT	1,161,560	(26,000)	(54,000)	1,107,560
596,525	546,823	(49,702)	85A2	HOUSING CUSTOMERS	1,273,940	29,500	17,800	1,291,740
97,722	78,768	(18,954)	85A3	SUNDRY LAND MAINTENANCE	375,870	0	0	375,870
3,283,904	2,291,757	(992,147)	85A4	REPAIRS & MAINTENANCE PROGRAMME	6,112,390	0	(272,500)	5,839,890
0	0	0	85A5	REVENUE CONTRIBUTION TO CAPITAL	4,689,075	0	0	4,689,075
2,656,950	2,721,772	64,822	85A6	CAPITAL CHARGES	2,656,950	76,688	64,822	2,721,772
648,046	536,845	(111,201)	85A7	HOUSING ASSETS	1,521,790	(39,000)	(81,000)	1,440,790
(9,802,755)	(9,683,395)	119,360	85A8	RENTS	(19,563,510)	(15,000)	(15,000)	(19,578,510)
0	0	0	85B2	INTEREST	1,914,060	0	0	1,914,060
			85B4	MOVEMENT TO/(FROM) WORKING BALANCE	(142,125)	(26,188)	339,878	197,753
				Net Expenditure	0	0	0	0
				Working Balance	7,068,670		31 March 2017	7,266,423
				1 April 2016				

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COUNCIL OWN BUILD SITES

PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	Qrt 1 FORECAST VARIANCE	Qrt 2 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£	£
(2,371)	(3,018)	(647)	H006 ROWAN HOUSE	(7,700)	0	0	(7,700)
(13,729)	(14,473)	(744)	H007 KNIGHTS PLACE	(49,290)	0	(3,000)	(52,290)
0	0	0	H008 INTEREST	6,890	0	0	6,890
12,080	11,865	(215)	H009 CAPITAL CHARGES	12,080	0	0	12,080
			H010 MOVEMENT TO/(FROM) WORKING BALANCE	38,020	0	3,000	41,020
			Net Expenditure	0	0	0	0
			Working Balance 1 April 2016	169,043	31 March 2017		210,063

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APPENDIX 3

HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2016-17 £	2017-18 £	2018-19 £	2019-20 £	TOTAL £
CAPITAL RESOURCES AVAILABLE					
Usable Receipts Brought Forward					2,898,176
Major Repairs Reserve Brought Forward					6,310,319
Other HRA Sales	125,000	0	0	0	125,000
RTB sales	750,000	500,000	500,000	500,000	2,250,000
Major Repairs Reserve	2,721,772	2,721,772	2,721,772	2,721,772	10,887,088
Revenue Contributions to Capital	4,689,075	6,496,642	4,496,555	2,500,000	18,182,272
External contributions	197,230	275,134	0	0	472,364
HCA funding	0	1,410,000	0	0	1,410,000
Commuted sums	4,294,118	2,122,014	159,883	0	6,576,015
Total Resources available	12,777,195	13,525,562	7,878,210	5,721,772	49,111,234
CAPITAL PROGRAMME					
HRA Capital Programme	14,504,530	19,609,632	7,897,964	5,362,221	47,374,347
Sept - Overspends / (Savings)	90,610				90,610
Sept - Slippage / Re-profiling	(2,556,620)	2,556,620			0
Total Housing Revenue Account	12,038,520	22,166,252	7,897,964	5,362,221	47,464,957
UNCOMMITTED CAPITAL RESOURCES:					
Usable Receipts Brought Forward	2,898,176	3,273,176	685,492	185,492	2,898,176
Major Repairs Reserve Brought Forward	6,310,319	6,673,994	620,988	1,101,234	6,310,319
Resources in Year	12,777,195	13,525,562	7,878,210	5,721,772	39,902,739
Less Estimated Spend	(12,038,520)	(22,166,252)	(7,897,964)	(5,362,221)	(47,464,957)
Uncommitted Capital Resources	9,947,170	1,306,480	1,286,726	1,646,277	1,646,277
WORKING BALANCE RESOURCES:					
Balance Brought Forward	7,068,670	7,266,423	5,263,239	4,917,840	7,068,670
HRA Balance Transfer - Surplus/(Deficit)	(142,125)	(1,868,184)	(345,399)	1,113,741	(1,241,967)
June forecast overspend	(26,188)				(26,188)
September forecast savings	366,066				366,066
Supplementary budget		(135,000)			(135,000)
Balance Carried Forward	7,266,423	5,263,239	4,917,840	6,031,581	6,031,581
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
	3,266,423	1,263,239	917,840	2,031,581	2,031,581
TOTAL AVAILABLE CAPITAL RESOURCES	13,213,593	2,569,719	2,204,566	3,677,858	3,677,858

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APPENDIX 4

2016-17
CAPITAL MONITORING TO 30 SEPTEMBER 2016

		2016-17 Capital Programme	2016-17 Spend	2016-17 Forecast Spend	2016-17 Budget to be Carried Forward to Future Years	2016-17 Programme Variances Under ()
		£	£	£	£	£
	HRA CAPITAL					
7HHOME	EVERYONE HAS A HOME					
Z4212	Adaptations	450,000	264,504	450,000		0
Z4402	Rendering of Council Dwellings	19,390	0			(19,390)
Z4703	Environmental Improvements - General	30,000	1,035	30,000		0
Z4705	Programmed Re-roofing	136,500	0	236,500	(100,000)	0
Z4709	Energy Conservation	86,000	0	86,000		0
Z4718	LAINGS Refurbishments	1,219,300	21,642	219,300	1,000,000	0
Z4719	Kitchen Replacement Programme	348,610	123,116	468,610		120,000
Z4724	Bathroom Replacements Programme	308,280	104,960	398,280		90,000
Z4740	Other Works	23,950	23,950	23,950		0
Z4742	Fire Precautionary Works to Flats	250,000	115,658	250,000		0
Z4743	Communal Areas	48,820	0	48,820		0
Z4745	Structural Repairs	55,000	0	55,000		0
Z4755	Rennes House Structural Works	129,090	19,385	129,090		0
Z4758	Common Area Footpath/Wall Improvements	944,050	122,624	494,050	350,000	(100,000)
Z4760	Lift Replacement 98 Sidwell Street	63,000	50,489	63,000		0
Z4763	Soil Vent Pipe Replacement	25,000	2,955	25,000		0
Z4764	Electrical Central Heating	18,750	0	18,750		0
Z4767	Faraday House Roof Replacement	7,020	7,020	7,020		0
Z4802	Electrical Re-wiring	1,178,100	119,382	778,100	400,000	0
Z4901	Central Heating Programme	50,000	16,037	50,000		0
Z4903	Boiler Replacement Programme	145,090	70,816	145,090		0
Z4908	Fire Alarm - Russet House	30,000	0	30,000		0
Z4909	Fire Risk Assessment Works	60,000	0	60,000		0
Z4911	Whipton Barton House Water Mains	50,000	0	50,000		0
Z4914	Re-roofing Works Shilhay	660,000	8,725	165,000	495,000	0
Z4916	Replacement Housing Management System	125,000	0	125,000		0
	HOUSING REVENUE ACCOUNT TOTAL	6,460,950	1,072,298	4,406,560	2,145,000	90,610
	COUNCIL OWN BUILD CAPITAL					
Z3214	COB Wave 2 - Rennes Car Park	2,432,650	313,174	2,171,030	261,620	0
Z3220	St Loyes ExtraCare	4,294,120	224,923	4,294,120		0
Z4751	Acquisition of Social Housing - Section 106	316,810	109,706	166,810	150,000	0
Z3201	Acquisition of Social Housing - Open Market	1,000,000	0	1,000,000		0
	COUNCIL OWN BUILD TOTAL	8,043,580	647,803	7,631,960	411,620	0
	OVERALL HOUSING REVENUE ACCOUNT TOTAL	14,504,530	1,720,101	12,038,520	2,556,620	90,610

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REPORT TO: PEOPLE SCRUTINY COMMITTEE
Date of Meeting: 3 NOVEMBER 2016
Report of: Assistant Director Finance
Title: Budget Monitoring Report to 30 September 2016

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This report advises Members of any material differences to the approved budget in respect of the People Scrutiny Committee revenue and capital budgets.

Potential areas of budgetary risk are also highlighted in this report, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring by officers.

2. Recommendations:

That Members of People Scrutiny Committee note the content of this report in order to be satisfied that prudent steps are being taken to address the key areas of budgetary pressure highlighted in this report.

3. Reasons for the recommendation:

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of People Services.

4. What are the resource implications including non financial resources

The financial resources required to deliver People Services during 2016/17 are set out in the body of this report.

5. Section 151 Officer comments:

This report has been prepared on behalf of the Section 151 Officer to set out the projected financial position of People Services as at 31 March 2017.

6. What are the legal aspects?

Part 2 of the Local Government Act 2003 provides the legislative framework for the process of setting and managing budgets. In particular, Section 28 of the 2003 Act requires local authorities to monitor their budgets during the financial year.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report Details:

Revenue Budget Monitoring to 30 September 2016

8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will increase from the approved budget by a total of £109,000 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 3.19%

from the revised budget. This includes a supplementary budget of £130,000 already agreed by Council.

8.2 The significant variations by management unit are:

MU Code	Management Unit	Over / (Underspend) £	Detail
81E1	General Fund Housing - Property	(60,000)	<ul style="list-style-type: none"> Low turnover of Private Sector Leased properties is expected to result in both higher than budgeted rental income and savings in void repair costs. Reactive repairs are also lower as a result of referrals back to the landlord in accordance with the lease agreements.
86A1	Revenue Collection/Benefits	150,000	<ul style="list-style-type: none"> Reduced level of invoices resulting from Real Time Information updates and the Fraud and Error Reduction Initiative Scheme

9. Capital Budget Monitoring to 30 September 2016

To report the current position in respect of the People Capital Programme and to update Members with any anticipated cost variances, acceleration of projects or slippage of schemes into future years.

9.1 Revisions to the People Capital Programme

The 2016/17 Capital Programme, including commitments brought forward from 2015/16, is £1,434,540 and was last reported to Corporate Services Scrutiny Committee on 29 September 2016. Since that meeting the following no changes have been made to the programme.

9.2 Performance

The current People Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £308,844 in 2016/17.

9.3 Capital Variances from Budget

No significant variances or issues concerning expenditure have arisen for this committee.

9.4 Capital Budgets Deferred to 2017/18

No significant amounts have been identified as being wholly or partly deferred to 2017/18 and beyond.

10. How does the decision contribute to the Council's Corporate Plan?

People Committee contributes to 5 key purposes, as set out in the Corporate Plan: Customer access to help me with my housing and financial problem, make it easy for me to pay, provide suitable housing and be a good landlord.

11. What risks are there and how can they be reduced?

Areas of budgetary risk are highlighted in this report. The key areas of budgetary risks within People Scrutiny Committee are attached as Appendix 3, for reference.

12. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

No impact

13. Are there any other options?

No

DAVE HODGSON

Assistant Director Finance

Author: FINANCIAL SERVICES TEAM

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

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PEOPLE SCRUTINY COMMITTEE
BUDGET MONITORING

APRIL 2016 TO SEPTEMBER 2016

ACTUAL TO DATE			YEAR END FORECAST					
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	CODE		APPROVED BUDGET	CURRENT OUTTURN FORECAST	FORECAST VARIANCE	QTR 1 FORECAST VARIANCE
£	£	£			£	£	£	£
511,175	407,819	(103,356)	81C2	ADVISORY SERVICES	1,269,010	1,288,010	19,000	19,000
143,978	120,122	(23,856)	81C3	AFFORDABLE HOUSING DEVELOPMENT	157,050	157,050	0	0
41,193	41,332	139	81C4	PRIVATE SECTOR HOUSING	136,640	136,640	0	0
86,490	86,490	0	81C5	SUNDRY LANDS MAINTENANCE	86,490	86,490	0	0
90,963	17,769	(73,194)	81E1	GF HOUSING - PROPERTY	138,110	78,110	(60,000)	0
855,838	945,417	89,579	86A1	REVENUE COLLECTION/BENEFITS	1,632,870	1,782,870	150,000	0
873,799	673,532	(200,267)	NET EXPENDITURE		3,420,170	3,529,170	109,000	19,000

TRANSFERS TO / (FROM) EARMARKED RESERVES	
OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES	3,529,170
REVISED BUDGETS	3,420,170
ADJUSTED OUTTURN VARIANCE	109,000

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CAPITAL MONITORING TO 30 SEPTEMBER 2016

	2016/17 Capital Programme	2016/17 Spend to 30 September	2016/17 Forecast Spend	2016/17 Budget to be Carried Forward to 2017/18 and Beyond	2016/17 Programme Variances (Under)/Over
	£	£	£	£	£
PEOPLE					
<i>HELP ME FIND SOMEWHERE TO LIVE</i>					
Disabled Facility Grants	664,290	246,133	664,290		
Warm Up Exeter/PLEA Scheme	163,650	62,712	163,650		
Wessex Loan Scheme	112,260	0	112,260		
WHIL Empty Properties	189,000	0	189,000		
The Haven	5,340	0	5,340		
Temporary Accommodation Purchase	300,000	0	300,000		
PEOPLE TOTAL	1,434,540	308,844	1,434,540	0	0

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AREAS OF BUDGETARY RISK

The table below identifies areas that have been identified as a budgetary risk within the People Scrutiny Committee revenue budgets.

The revenue budget areas of risk are:

Budget Title	Approved Budget	Risk
Revenue Collection/Benefits – Housing Benefit Subsidy	£41,531,950	The Council administers over £41.5 m of Housing Benefit Subsidy for rent allowances and rent rebates. The claiming of subsidy is based on cost and administering within timescales varied from time to time by the Government. If timescales are not met, administrative errors minimized and overpayments reduced, there is a risk of paying out for Housing Benefit and only receiving a partial reimbursement of subsidy.

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REPORT TO: PEOPLE SCRUTINY COMMITTEE

Date of Meeting: 3 NOVEMBER 2016

REPORT TO: EXECUTIVE

Date of Meeting: 8 NOVEMBER 2016

REPORT TO: COUNCIL

Date of Meeting: 13 DECEMBER 2016

Report of: Assistant Director Customer Access

Title: Exeter City Council's Council Tax Support scheme for 2017-18

Is this a Key Decision? No

Is this an Executive or Council Function? - Council

1. What is the report about?

1.1 This report is presented to seek members' views on the local Council Tax Support (CTS) Scheme for working age residents for 2017-18. The local CTS Scheme started in April 2013 and members are required to agree the Scheme rules annually.

1.2 It also seeks approval of the revised Exceptional Hardship policy to take effect from 1 April 2017.

2. Recommendations:

2.1 That members note the requirement to read and consider the contents of the accompanying Equality Impact Assessment, in order to consider the impact of the proposals on relevant groups.

2.2 That Council be RECOMMENDED:-

1. To approve the revised Exceptional Hardship policy.
2. To approve the following changes to the local Council Tax Support Scheme:
 - a) Removing the Family Premium for all new applicants
 - b) Reducing backdating to 1 month
 - c) Using a minimum income for self-employed earners after 1 year's self-employment
 - d) Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Support to 4 weeks
 - e) Removing the Work Related Activity Component in the calculation of the entitlement for new applicants
 - f) Removing entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) for looking after them
 - g) Removing entitlement to the additional earnings disregard for Universal Credit customers in work
3. To delay implementation of change 2e) above to 1 April 2018 if the policy is introduced to Housing Benefit from a date after 1 April 2017.

4. Not to adopt limiting the number of dependent children within the calculation for Council Tax Support to a maximum of 2.

3. Reasons for the recommendation:

- 3.1 Most of the changes (as listed in 8.4) are intended to align the Council Tax Support scheme with changes already introduced in Housing Benefit and / or Universal Credit. Change 8 responds to our increased understanding of Universal Credit as the roll out continues. The Equality Impact Assessment and consultation indicate that the impact on individuals is likely to be limited for changes 1 through 5 plus 7 and 8, and that any resulting hardship can be managed through the Exceptional Hardship scheme.
- 3.2 At the time of preparing this report the regulations introducing change 8 to Housing Benefit have not been released. It would not be consistent to introduce this change to CTS if it was not operating in Housing Benefit as well. As CTS can only be amended from 1 April each year, it would be preferable to introduce the change at the earliest opportunity after the change is introduced to Housing Benefit.
- 3.3 Introducing change 6 will require extensive safeguards to protect vulnerable families and we are currently not able to put these in place. At this point the detailed proposals for introducing this change to Housing Benefit – which we would wish to mirror – have not been released. More time is needed to consider how the change should work in Council Tax Support and develop the safeguards to support this change.
- 3.4 In 2015 the High Court considered the validity of a local CTS scheme in Havering¹. Mr Justice Blake found that, for a scheme to be valid, Members making the decision must have *“conscientious consideration of the impact of the proposals on the relevant groups, whether by diligent reading of the EIA or some other evidence based assessment.”*
- 3.5 The Exceptional Hardship policy has been revised to allow additional help to be given to customers who find themselves in hardship after losing their entitlement to CTS through these changes.

4. What are the resource implications including non-financial resources.

Adopting all of the proposed changes would reduce the amount of Council Tax Support granted under the scheme. Caseload modelling indicates that the maximum eventual savings would be £275,000 annually. Because most of the changes will only affect new claims, the full amount of these savings is unlikely to be realised for five years. The savings only translate to increased income if the extra Council Tax charged is able to be collected. Exeter City Council's share of the extra income would be around £23,500 based on an 8.5% share of the collection fund and a 100% collection rate.

Applications for assistance under the Exceptional Hardship policy may increase if these changes are introduced, and if this is the case, there would be an impact on officers' time and Council finances. Previous years have shown a significant underspend of Exceptional Hardship therefore the financial impact is likely to be minimal.

5. Section 151 Officer comments:

The overall impact on the Council's financial position is small. However it is noted that this proposal was approved at the Devon Local Government Steering Group by Leaders of all Councils in Devon.

6. What are the legal aspects?

Paragraph 5 of Schedule 1B to the Local Government Finance Act 1992 requires billing authorities to adopt a Council Tax Support scheme each year, no later than 31 January.

7. Monitoring Officer's comments:

Provided the requirements contained within paragraph 6 above are met, this report raises no issues for the Monitoring Officer.

8. Report details:

- 8.1 Exeter City Council's local Council Tax Support scheme has been in place since national Council Tax Benefit was abolished in April 2013. Rules for pensioners are set nationally, leaving discretion for local rules for working age customers. The Scheme agreed by Exeter City Council from April 2013 was based on the old Council Tax Benefit scheme with the following key changes:

- Maximum support limited to 80%
- Capital limit reduced to £6,000
- Introduction of an Exceptional Hardship policy

This scheme has remained unchanged since April 2013.

- 8.2 An options paper was presented by County and District Heads of Finance to the Devon Local Government Steering Group (DLGSG) meeting of 15 April 2016. The preferred option at that meeting, which the Leaders of each Council approved, was to make a series of administrative changes to the CTS scheme from April 2017 and introduce a Minimum Income Floor (MIF) for self-employed claimants. This option was felt to provide sufficient financial savings for DCC – mostly through the introduction of MIF – and help to keep the local CTS scheme in line with changes to national schemes.

- 8.3 Since the DLGSG meeting, the Devon Benefit Officer Group (made up of Revenues and Benefits officers from Devon districts, Plymouth & Torbay as well as finance representatives from the major preceptors) has worked to progress the preferred option. In order to prepare for possible scheme changes and comply with the requirements of The Local Government Finance Act the following work has been undertaken:

- Consultation with major preceptors
- Development of a draft scheme
- Data modelling of potential financial impact
- Public consultation
- Development of an Equality Impact Assessment
- Revision to Exceptional Hardship policy

- 8.4 The draft scheme that was consulted on and for which the Equality Impact Assessment has been completed, consisted of eight changes to the current CTS scheme.

1. Removing the Family Premium for all new applicants
 2. Reducing backdating to 1 month
 3. Using a minimum income for self-employed earners after 1 year's self-employment
 4. Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Support to 4 weeks
 5. Removing the Work Related Activity Component in the calculation of the entitlement for new applicants
 6. Limiting the number of dependent children within the calculation for Council Tax Support to a maximum of 2
 7. Removing entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) for looking after them
 8. Removing entitlement to the additional earnings disregard for Universal Credit customers in work
- 8.5 A report summarising the results of the consultation is attached at appendix 2. During the 10 week consultation period, 76 responses were received (less than 1%). 70% of respondents were in favour of introducing all eight changes. Change 1 had the highest level of responses objecting to the proposal at 21%. Only just over a quarter of responses were from people claiming CTS which may help to explain why so few objections were received to changes that reduce entitlement.
- 8.6 The Equality Impact Assessment, attached at Appendix 1, highlights the effect that changes 1 and 6 will have on low income families. The annual financial cost of change 1 would be an average of only £31.87 per family and will affect only around 35% of new claims with dependent children. The change mirrors the changes already confirmed for Child Tax Credit from April 2017 and introduced to Housing Benefit in April 2016.
- 8.7 Change 6 however would see affected families losing an average £416.23 per year. The change was proposed to mirror a change previously announced for Housing Benefit, Child Tax Credit and Universal Credit. Detailed regulations for this have not yet been released and there has been much discussion in Westminster about which circumstances should be exempted. Situations where third or subsequent children are born as a result of rape or multiple births plus guardianship / fostering / adoption arrangements are amongst the circumstances being considered. At this stage it would therefore seem premature to introduce this change pending detailed consideration of who should be exempted and how this could be achieved.
- 8.8 Change 3, the minimum income floor (MIF) for self-employed claims, provoked the most comments and suggestions during the consultation. Responses highlighted groups of people who may find it difficult to achieve the level of income assumed under this change and this was reflected in the Equality Impact Assessment as well. It may be that in some circumstances those with disabilities or caring responsibilities for example may appreciate the flexibility of being self-employed and would not be able to commit to full time activity. Other individuals with superficially similar circumstances may have no difficulty achieving the income assumed by the MIF. Rather than making assumptions about the circumstance where MIF should not apply we intend to use the Exceptional Hardship process to consider individual circumstances and award further help where necessary.
- 8.9 Introducing complex exemptions to any of the other changes would offset much of the advantage of making changes to the scheme by increasing the administrative complexity. It will also be difficult to ensure that all the vulnerable individuals we would

wish to protect from the changes are covered. It is therefore better to utilise the Exceptional Hardship scheme to lessen the effects in individual cases where hardship could result. The Exceptional Hardship policy, attached at appendix 3, has been revised to ensure that it is available to anybody who loses their entitlement to CTS as a result of these changes.

- 8.10 The Local Government Finance Act 1992 requires the Council to consider transitional protection for any changes that will reduce a person's entitlement. Besides change 3, all changes will only affect new claims to CTS or existing claims when their household circumstances change. It is not therefore necessary to apply any transitional protection. Any cases of hardship, including in the short term, will be managed through the Exceptional Hardship scheme. Change 3 allows a period of 12 months at the commencement of a self-employed activity before the minimum income would be applied. For existing claims where the policy will reduce entitlement from April 2017 Exceptional Hardship will be offered for any cases that need help to manage the transition.
- 8.11 Individuals who will see a reduction in support will be identified and contacted prior to the change being introduced. They will be offered individual support to adjust which could include awards of Exceptional Hardship to manage the transition.

9. How does the decision contribute to the Council's Corporate Plan?

The Council Tax Support scheme supports Exeter's communities and neighbourhoods by helping low income residents afford their Council Tax liability. The Exceptional Hardship policy strengthens this support by ensuring that the scheme rules do not cause inadvertent hardship in individual cases.

10. What risks are there and how can they be reduced?

There is always a risk to Council Tax collection rates whenever people are required to pay more. However these changes will affect very small numbers of existing claimants. Overall, only a small amount of extra Council Tax is being charged so the effect on collection rates, if any, should be minimal.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

- 11.1 An Equality Impact Assessment accompanies this report at appendix 1. For the decision of Council to be safe from legal challenge (see paragraph 3.3) all Members are required to have read this assessment.
- 11.2 The Exceptional Hardship policy plays a pivotal role in ensuring that these changes do not cause a disproportionate disadvantage to households with protected characteristics. The changes made to the Exceptional Hardship policy accompanying this report at appendix 3 ensure that this discretionary additional help is available to those who lose their entitlement to CTS as a result of these changes.

12. Are there any other options?

Each change is capable of being introduced separately. The Council can therefore choose to adopt all, only some of, or none of the proposed changes. In each case this will leave our local CTS scheme out of line with rules in Housing Benefit or Universal Credit and may result in additional scheme costs through needing to administer different rules for all these schemes.

Bindu Arjoon
Assistant Director Customer Access

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

Localising support for Council Tax: vulnerable people – key local authority duties

Contact for enquires:
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Appendix 1 – Equality Impact Assessment
Appendix 2 – Consultation results and summary report
Appendix 3 – Exceptional Hardship policy
Appendix 4 – Full scheme document

ⁱ R (on the application of Logan) v London Borough of Havering [2015] EWHC 3193 (Admin)



Council Tax Support

Equality Impact Assessment

October 2016

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Background

Exeter City Council introduced a local Council Tax Support scheme in April 2013 to replace the national Council Tax Benefit. Since then the scheme has only been updated annually to reflect changes in benefit rates and has not had any significant changes made. The working age scheme for 2017 looks to incorporate eight changes which will help to align areas of the scheme with changes in Housing Benefit and Universal Credit.

In preparing this assessment regard has been had to the policy paper issued by DCLG in 2014, *“Localising Support for Council Tax. Vulnerable people – key local authority duties.”*¹

The proposed changes

1. Removing the Family Premium for all new applicants
2. Reducing Backdating to 1 month
3. Using a minimum income for self-employed earners after 1 year’s self-employment
4. Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Support to 4 weeks
5. Removing the Work Related Activity Component in the calculation of the entitlement for new applicants receiving Employment and Support Allowance
6. Limiting the number of dependent children within the calculation for Council Tax Support to a maximum of 2
7. Removing entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) for looking after them
8. Removing entitlement to the additional earnings disregard for Universal Credit customers in work

The scheme for pensioners continues to be prescribed nationally with entitlement protected at current levels.

Timescale

The revised scheme comes into force on 1 April 2017. The legislation requires that it is agreed by full Council before 31 January 2017. In practice this means agreement of a final scheme will be needed at the full Council meeting of 13 December 2016. Public consultation on a proposed scheme ran for 10 weeks from 27 June 2016, allowing time for responses to be included in the final report to Council and feedback taken into account in this impact assessment.

Key Issues

A brief summary of main impacts is shown here. Further detail on each of these impacts and the how the changes will operate can be found in the main body of the document.

¹ <https://www.gov.uk/government/collections/localising-council-tax-support>

Change	Brief description	Estimated number of affected cases	Affected groups	Mitigation
1	Family Premium	Up to 700 after a number of years	Children, Women	Protections for passported cases, Exceptional Hardship
2	Backdating	24	None	Exceptional Hardship
3	Self employed	267	Carers, parents of disabled children	Protections for workers, Exceptional Hardship to support other groups unable to work full time
4	Absence from GB	Unknown - very low	Race	Exceptional Hardship
5	ESA element	3	Disability	Not affecting severely disabled, Exceptional Hardship
6	3 or more children	Up to around 250 after several years	Children, Women	Complex series of exemptions needed
7	UC carers	0 currently	Disability	Exceptional Hardship
8	UC earners	0 currently	None	Exceptional Hardship

Financial impact – Exeter City Council & Council Tax preceptors

The grant allocation for Council Tax Support is no longer identified separately; funding is included within the Formula Grant. It is for Billing Authorities to determine their working age schemes and calculate the cost of providing support at the chosen level. In order to make financial savings from the scheme, reductions must be made to the support for working age claimants.

Maintaining support at a higher level means less money is charged to Council Tax payers receiving Council Tax Support. This means less money can be collected to be spent on services by Devon County Council, Exeter City Council, Devon & Cornwall Police and Devon & Somerset Fire & Rescue Service.

Change	Applies to	Maximum estimated savings to scheme	Estimate for year one
1 Family Premium	New CTS claims / first children	£22,392	20%
2 Backdating	New CTS claims with backdating request	£2,072	100%
3 MIF for self-employed	Existing claims	£154,233	100%
4 Absence from GB	New absences from GB	No data	
5 ESA WRAC	New ESA awards	£909	50%

6	3 or more children	New 3rd children	£95,734	20%
7	UC(CE) & SDP	New UC(CE) awards	No data	
8	UC earners	New UC in-work awards	No data	

Data used in this report

The figures within this report are based on an extract from the Council Tax Support processing system on 21 September 2016. As caseload figures and expenditure fluctuates throughout the year it is not possible to be certain of the final figures until the end of the financial year.

Not all characteristics are recorded (and therefore available for this analysis) in every individual case; for example a disability characteristic does not always affect the amount of a CTS passported award.

This impact assessment will be reviewed annually when the scheme for the following year is agreed, to ensure that any changes to equality issues within the scheme are addressed effectively. The data used may also change to reflect the caseload fluctuations as stated above.

Financial impact – Claimants

Exeter currently has 4,611² Council Tax Support claimants below the age where the pensioner scheme would apply. Any changes made to the scheme will only affect claimants in the working age group. The only change which will affect existing claimants from 1st April 2017 is change 3 – applying a Minimum Income Floor to self-employed claimants. Current estimates show that 249 claims will see a reduction in CTS averaging £11.88 per week.

Age	Cases	% of CTS caseload	Potentially affected	Not affected
Working age	4611	57.24%	100%	0%
Pensioner age	3444	42.76%	0%	100%
Total	8055	100%	100%	100%

Protection of vulnerable customers

Central Government does not prescribe any specific groups within the working age caseload who must be given particular protection in a local scheme. They do however highlight our existing duties in relation to¹:

- The public sector Equality Duty (The Equality Act 2010)
- The duty to mitigate effects of child poverty (The Child Poverty Act 2010)
- The duty to prevent homelessness (Housing Act 1996 & Homelessness Act 2002)
- The Armed Forces covenant

Additionally Government expect local schemes to support the operation of work incentives in the wider welfare reform agenda.³

² Data as of 21 September 2016

³ *Localising Support for Council Tax. Taking work incentives into account*; DCLG, May 2012

Protections in the previous CTB scheme

Council Tax Benefit existed as a national scheme to provide assistance to low-income taxpayers since the introduction of Council Tax in 1993 until April 2013. It was a mature, robust and complex legislative system with protections for vulnerable groups built in. It has been subject to repeated legal challenge ensuring it generally satisfies equality duties.

The structure of the means test ensured that vulnerable groups were recognised and protected. Specifically, this worked in the following ways:

- Personal allowances were increased for families and all additional children
- Additional premiums for disabled household members and carers
- Income disregards for certain disability benefits, child benefit and child maintenance
- Earned income disregards; higher rates applied for full time work, disabled workers, certain part-time emergency workers and lone parent workers
- Childcare costs disregarded for workers with children
- Local disregard of War Pension income

Preserving the CTB means test in our local CTS scheme since 2013 has maintained the protections and work incentives that have been refined over many years.

Exceptional Hardship policy

Since the introduction of our local Council Tax Support scheme in April 2013 we have operated an Exceptional Hardship policy. This flexible scheme allows us to provide additional support to vulnerable customers who find themselves unable to afford their liability under the rules of the CTS scheme. An award of Exceptional Hardship can reduce a customer's liability to nil. The policy is being revised from April 2017 to ensure it can assist vulnerable customers adversely impacted by changes made to the CTS scheme in this or subsequent years.

It is a sensible approach to use Exceptional Hardship to deal with complex situations and recognise extra need in individual cases. Inserting legally complex exemptions into the main CTS scheme for groups which are hard to define risks not helping the right people.

Modelling options for a local scheme

Where possible, modelling of the existing caseload has been completed to examine the impact of the proposed changes on different groups. However, as many of the proposals relate to new claims made or changes happening after 1st April 2017, there is no reliable way to predict numbers or the characteristics of those who will be affected. In other cases, such as Universal Credit claimants in work, numbers are currently so low that no reasonable projection can be made. Where reasonable projections cannot be made we identify below those within the whole working age claimant population who may be "potentially affected". Actual numbers affected may be far lower, particularly in 2017/18 where changes only apply to new claims or changes.

Caseload data is continually changing so the modelling of different options and their effects will be an ongoing process.

Effect of the proposed scheme changes on particular groups

Family characteristic

Local Authorities are under a duty to reduce and mitigate the effects of child poverty in their area. The proportion of cases where a child is present in the household which could be affected by the changes is higher than within the overall CTS caseload. This is to be expected as generally more children in the CTS caseload are resident in working age households than pensioner households and pensioner households are protected by national rules.

Family characteristic	All CTS cases		Working age (potentially affected)		Pensioner (not affected)	
	Count	%	Count	%	Count	%
Single	4998	62.05%	2246	48.71%	2752	79.91%
Couple with no children	956	11.87%	286	6.20%	670	19.45%
Lone parent	1454	18.05%	1450	31.45%	4	0.12%
Couple with children	647	8.03%	629	13.64%	18	0.52%
Total	8055	100%	4611	100%	3444	100%

The means test in CTS ensures that households with children keep more income before their awards are affected than a similar household with no children.

Change 1 – Family Premium

Change 1 - Removing the family premium for new applicants	Working age			
	Total	Potentially affected cases	Value / cost to scheme	Potential annual loss per case
Family premium awarded (standard claims)	1029	718	£22,392	£31.87
Passported households with dependant/s	1050	0	£0	£0
Couples with dependant/s	629	275	£8,803	£32.01
Female lone parent	1377	425	£13,044	£30.69
Male lone parent	73	18	£545	£30.28
Household includes carers premium	315	42	£1,351	£25.98
Household includes disability premium, disabled child or Severe Disability Premium	543	101	£3,249	£32.17

Change 1 alters the means test for new claims from households with children or where claimant households with no children have a child join the household. The amount of support they receive will be lower than it would have been before the proposed change. Their support will still be higher than a similar household with no dependent children.

The Family Premium adds £17.45 to the claimant's weekly applicable amount which works out to an extra £3.49 weekly CTS. This is the most a household can lose through this change. Where a claimant's weekly income is less than their applicable amount they will lose less than £3.49 from their CTS award. Where income is more than £17.45 lower, the removal of Family Premium will not affect their CTS award.

Using our existing caseload to estimate likely impact, we expect only 35% of new claims with dependent children will see a lower CTS award as a result of this change. The rest are either in receipt of a passporting benefit or have income below their applicable amount, even after reducing it by this change.

63% of those affected will be lone parents, however 70% of CTS households containing children are lone parents so this group is relatively less affected than couple households. As expanded upon below, nearly 95% of our lone parent claimants are female.

Change 6 – Three or more children

Change 6 – more than two dependent children	Working age			
	Total	Potentially affected cases	Value / cost to scheme	Average annual loss per case
Standard with more than 2 dependent children	263	230	£95,734	£416.23
Passported (so not affected)	270	0	£0	£0
Standard with carers premium	38	29	£10,609	£365.83
Standard with disability premium, disabled child or Severe Disability Premium	52	39	£10,729	£275.10

Change 6 alters the means test for households who have a third or subsequent child from 1st April 2017. The amount of income they can keep before it reduces their CTS award will no longer increase beyond the rate for two children. Claimants in receipt of a passported benefit will not be affected by this change.

The child addition adds £66.90 (2016 figures) to the claimant's weekly applicable amount which can work out to an extra £13.38 weekly CTS. This is the most a household can lose through this change. Where a claimant's weekly income is less than their applicable amount they will lose less than £13.38 from their CTS award. Where income is more than £66.90 lower, the removal of Family Premium will not affect their CTS award.

Existing CTS cases with three or more children have been used to estimate the likely impact of this change. These claims will not be affected unless they have a further child after 1st April 2017.

This data shows that 43% of households with three or more children would be affected by the change. The rest are either in receipt of a passported benefit or have income more than £66.90 below their applicable amount. Households which have carers or disability premiums awarded are less likely than the overall population to be financially affected by the change.

Additional exemptions from this change are proposed in line with the policy for Housing Benefit. This should result in the actual numbers affected being lower than the estimates here.

Single parent households

Single parent household	All CTS cases		Working age (potentially affected)		Pensioner (not affected)	
	Count	% of CTS claimants	Count	% of total working age claimants	Count	% of total pension age claimants
Female	1381	17.14%	1377	94.97%	4	100.00%
Male	73	0.91%	73	5.03%	0	0.00%
Total	1454	18.05%	1450		4	

The proportion of lone parent working age households in the working age group, who may be affected by one or more of changes 1 to 8, is higher than the overall caseload of lone parent cases. This is because the majority of lone parent claimants are working age. Female lone parents account for nearly 95% of our lone parent claimants and 96% of those with more than two children. This group is highlighted in The Fawcett Society briefing paper as being “a group more likely to live below the poverty line”.⁴

It is likely that this group is further disadvantaged in the employment market because of their caring responsibilities dictating the hours & type of work they can reasonably undertake. It will therefore be important to take account of the added difficulties this group may face increasing their income when considering Exceptional Hardship claims.

Single person households

Single person household	All CTS cases		Working age (potentially affected)		Pensioner (not affected)	
	Count	% of CTS claimants	Count	% of total working age claimants	Count	% of total pension age claimants
Female	2969	36.86%	1040	46.30%	1929	70.09%
Male	2029	25.19%	1206	53.70%	823	29.91%
Total	4998	62.05%	2246		2752	

Single person households may also face a greater challenge increasing their income or managing additional expenditure than households with more members who can contribute. The proportion of single person households who may potentially be affected by the changes is lower than in the overall CTS population. Changes 1 and 6 only apply to families. Changes 2, 4, 5 and 7 will affect only very small numbers of claims.

⁴ <http://fawcettsociety.org.uk/documents/The%20Impact%20of%20Austerity%20on%20Women%20-%2019th%20March%202012.pdf>

Summary table – family characteristics

Age	Neutral impact - it will not affect	Negative impact - it could disadvantage	Reason
Older people (born before 6 July 1953)	✓		Older people cannot be affected by the proposed changes to the local CTS scheme. Their rules continue to be set by Central Government.
Younger people (born from 6 July 1953)		✓	Any of the current 4,611 working age claim households will potentially be asked to pay more towards their Council Tax if their circumstances meet the criteria or change in the future.
Under 18s	✓		Will not be liable for Council Tax and therefore unaffected.
Single people under 25	✓		The changes proposed do not distinguish on claimant age within the working age claimant group.
Dependent children in household		✓	The means test allows additional amounts for each child in the household. Change 1 will reduce the amount allowed for families in all new claims and change 6 will limit the amount allowed to the level for two children.

Gender

Gender	All CTS cases		Working age (affected)		Pensioner (not affected)	
	Count	%	Count	%	Count	%
Male	2102	26.10%	1279	27.74%	823	23.90%
Female	4350	54.00%	2417	52.42%	1933	56.13%
Couples	1603	19.90%	915	19.84%	688	19.98%
Total	8055	100%	4611		3444	

No gender group is targeted by the changes proposed for the scheme. However, as there are relatively more of them in the caseload, a larger number of single females in Exeter is likely to be affected by the proposed changes to the Council Tax Support scheme.

Independent research also highlights the effect that the wider welfare reform changes will have on women:

“The Fawcett Society is extremely concerned about the impact of austerity on women’s equality in the UK. Our analysis - and the conclusions of independent research bodies and academics - has highlighted that the

cumulative effect of fiscal measures taken to reduce net public spending will have a disproportionate effect on women, making many women poorer and less financially autonomous. The knock-on effects of this will be to turn back time on a range of indicators of women's rights and equality.

The Fawcett Society has highlighted that women face a triple jeopardy: women are being hit in three key ways a result of the deficit-reduction measures:

1. Women are being hit hardest by cuts to public sector jobs, wages and pensions.
2. Women are being hit hardest as the services and benefits they use more are cut.
3. Women will be left 'filling the gaps' as state services are withdrawn.”⁵

The report shows the current position of economic indicators highlighting that equality for women still falls below equivalent measures for men in areas such as full time pay, low paid work, ethnicity & poverty, personal pensions, lone parents and childcare.

Tenure type

Tenure type	All CTS cases		Working age (potentially affected)		Pensioner (not affected)	
	Count	%	Count	%	Count	%
Social Rented	5071	62.95%	3329	72.20%	1742	50.58%
Private Rented	1381	17.14%	963	20.88%	418	12.14%
Owner Occupier	1603	19.90%	319	6.92%	1284	37.28%
Total	8055	100%	4611		3444	

Tenants in both the private and social sectors may have also seen reductions in the amount of Housing Benefit available to them as a result of other welfare reforms. This includes the social sector size restriction, household benefit cap (reducing further from November 2016), freezes to Local Housing Allowance (LHA) rates and upcoming restriction of new social tenancies to the LHA rate. These households could therefore face multiple pressures on their budgets. 93% of those potentially affected by the changes will also have a rent liability. This compares to 80% of the total CTS caseload as proportionally more pensioner CTS claimants own their home.

Disabilities and carers

Disabled child

Compared to the overall caseload of potentially affected working age claimants, single females account for the highest proportion of lone parents with a disabled child. This reflects the fact that the majority of lone parents are female. Parents of disabled children could find their opportunities for increasing income more limited than other groups.

⁵ <http://fawcettsociety.org.uk/documents/The%20Impact%20of%20Austerity%20on%20Women%20-%2019th%20March%202012.pdf>

Disabled child	All CTS cases		Working age (potentially affected)		Pensioner (not affected)	
	Count	% of CTS claimants	Count	% of total with disabled child	Count	% of total with disabled child
Couple	109	1.35%	106	41.73%	3	75.00%
Female	141	1.75%	140	55.12%	1	25.00%
Male	8	0.10%	8	3.15%	0	0.00%
Total	258	3.20%	254		4	

Change 3 – Minimum Income Floor for self-employed

Change 3 - Minimum Income Floor (MIF) for self-employed claimants	Working age			
	Total	Count (Affected)	Value / cost to scheme	Potential annual loss per case
Affected by MIF	267	249	£154,233	£619.41
Dependent children	193	178	£110,805	£622.50
Carers premium	22	21	£13,965	£665.00
Disability premium, disabled child or Severe Disability Premium	42	38	£27,584	£725.89

Change 3 assumes a notional income for self-employed claimants after one year of trading. The policy would mirror that already in place in Universal Credit where affected customers are treated as having an income equal to 35 hours work at the National Living Wage (National Minimum Wage for under 25s). The modelling above shows the impact this change would have on existing self-employed cases once the one year trading point was reached. Experience where this policy has been adopted elsewhere in the country indicates that affected self-employed claimants are generally well able to cope with the extra expense.

It is possible that parents of disabled children may find the extra flexibility afforded by running their own business preferable to taking up employment. Similarly those with caring responsibilities or a disability may find it difficult to achieve a minimum income from self-employment. It is important that these limitations are recognised. This may be best achieved by an award through the Exceptional Hardship scheme.

Disability Premium

Disability premium – only applicable to working age	Working age (potentially affected)		
	Count	% of working age CTS claimants	% of total with disability premium
Couple	383	8.31%	22.77%
Female	725	15.72%	43.10%
Male	574	12.45%	34.13%
Total	1682	36.48%	100.00%

Change 5 – WRAC for new ESA claims

Change 5 - WRAC for new ESA claims	Working age – standard cases		
	Total	Count (Affected)	Value / cost to scheme
Standard ESA claims with WRAC	3	3	£909
Dependent children	0	0	£0
Carers premium	0	0	£0
Disability premium, disabled child or SDP	0	0	£0

Change 5 operates to keep CTS awards at the same level as they would have been prior to the change to Employment and Support Allowance (ESA) rules from April 2017. ESA awards for these claimants will reduce by £29.05 per week. Without this change these claimants will see an increase to their CTS awards when the reduction in their ESA is implemented. It is likely that this group could face particular difficulties increasing their income to cope with the loss of the ESA income, as described by Disability Alliance:

“Disabled people being supported by ESA receive a higher rate than those on JSA because they face additional barriers as a result of their illness or disability, and typically take longer to move into work.”⁶

Therefore, whilst not actually reducing the amount of CTS awarded to this group, they may find it more difficult to pay even the same amount of Council Tax when their overall income reduces. Numbers likely to be affected by this change are very low. It will be appropriate to identify any cases where hardship has been caused by the reduction in ESA income and consider awards of Exceptional Hardship to assist.

Severe Disability Premium

Severe disability premium	All CTB cases		Working age (affected)		Pensioner (not affected)	
	Count	% of CTB claimants	Count	% of total with SDP	Count	% of total with SDP
Couple	60	0.74%	25	3.16%	35	5.56%
Female	795	9.87%	382	48.23%	413	65.66%
Male	566	7.03%	385	48.61%	181	28.78%
Total	1421	17.64%	792		629	

Change 7 – SDP for Universal Credit carers

Change 7 alters the means test for customers where another person receives the Universal Credit (Carers Element) for looking after them. This ensures consistent treatment between recipients of Carers Allowance and the benefit that replaces it; UC(CE). There should be no relative disadvantage to these customers because those affected would not have received a Severe Disability Premium under the previous rules before Universal Credit was introduced. There are currently no cases in our caseload that will be affected by this change. This will change as the rollout of

⁶ www.disabilityrightsuk.org/our-submission-parliamentary-review-proposed-%C2%A330-week-cut-esa

Universal Credit continues and awards of Carers Allowance are increasingly made through Universal Credit.

The data we hold does not allow us to identify the nature of individual disabilities and how this may impact their ability to manage a shortfall. It is likely that those in receipt of a qualifying benefit for the severe disability premium will face more challenges increasing their income than those entitled to the disability premium alone.

People in receipt of the ESA support component have been assessed to have the highest level of disability and support need. This group are not required to take up any work or work related activity. They could therefore face more difficulty increasing their income to meet any shortfall.

Carers

Carers	All CTB cases		Working age (affected)		Pensioner (not affected)	
	Count	% of CTB claimants	Count	% of total carers	Count	% of total carers
Couple	423	5.25%	265	53.54%	158	82.72%
Female	229	2.84%	202	40.81%	27	14.14%
Male	34	0.42%	28	5.66%	6	3.14%
Total	686	8.52%	495		191	

Summary table - disabilities

	Neutral impact - it will not affect	Negative impact - it could affect	Reason
Physical		✓	Ability to travel to make payments. Potentially less able to use online or telephone methods for payment and advice. Potential inability to increase <i>income</i> .
Sensory		✓	Ability to access the initial information advising of the change. Potential difficulties accessing Council in person or by online / telephony routes for payments and advice. Potential inability to increase income.
Learning		✓	Ability to access and understand initial information advising of the change. Potential difficulties accessing Council in person or by online / telephony routes for payments and advice. Potential inability to increase income.

Mental health		✓	Ability to access and understand initial information advising of the change. Potential difficulties accessing Council in person or by online / telephony routes for payments and advice. Potential inability to increase income.
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Work status

Work status	All CTB cases		Working age (potentially affected)		Pensioner (not affected)	
	Count	%	Count	%	Count	%
Working	1165	14.46%	1118	24.25%	47	1.36%
Not working	6890	85.54%	3493	75.75%	3397	98.64%
Total	8055	100%	4611		3444	

Local schemes are expected not to discourage claimants from taking up employment or increasing hours of work. A higher proportion of households potentially affected are in work compared to the overall CTS population. This is to be expected if, almost inevitably, most working households are in the working age population rather than the pension age population (who are protected by national rules).

Change 8 – Additional earnings disregard in Universal Credit

Change 8 removes the additional earnings disregard from customers who are working while in receipt of Universal Credit. The disregard is currently £17.10 and can be worth up to £3.42 CTS weekly. There are currently 53 Universal Credit customers in receipt of CTS. None of these receive the additional earnings disregard so impact is difficult to estimate. Once a customer is earning sufficient to not be entitled to Universal Credit, the additional disregard can be applied as currently.

The additional hours disregard is linked to the number of hours a customer works and was tied to the equivalent addition in Working Tax Credit. The disregard / addition does not form part of Universal Credit calculation. When the assessment of earned income is undertaken by the local authority, the number of hours worked is available and relevant to the calculation of Housing Benefit or CTS. For Universal Credit cases the assessment of earnings is undertaken by DWP staff. The basis of this calculation is not always identifiable and is generally based on a past period. Obtaining reliable information on the number of hours worked for the relevant period is not often possible and applying these from a monthly award of Universal Credit to a weekly calculation of CTS results in inconsistent treatment of income and disregards.

Although there is the potential for this change to weaken work incentives, it is considered likely to have a minimal impact against the incentives to increase earning under Universal Credit.

Other protected characteristics

There is no data held by ECC Benefits Service for race, sexual orientation, religion or belief. It is possible that Change 6 – three or more children, could have a disproportionate impact on ethnic and religious groups where large families are more prevalent than the general population. Alison Thewliss MP addressed this point in a

debate on the introduction of this policy to Child Tax Credit on 12 October 2016⁷. Her quoted figures show 30% of UK families contain three or more children. This rises to 52% of Jewish families and 60% of Muslim families. As we do not hold data on these characteristics it is impossible to say whether this difference would be reflected in our caseload.

Change 2 - Backdating

Change 2 looks to reduce the maximum period a claim can be backdated from six months to one month. In 2015/16 this would have affected 24 claims. Backdating is allowed for a number of reasons and can apply to claimants in any of the groups discussed in this impact assessment. The change is intended to align rules with Housing Benefit rather than to make expenditure savings. With such low numbers affected it will be possible to manage any difficult cases through the Exceptional Hardship policy.

Change 4 – Absence outside GB

Change 4 limits the period a claimant can be away from their home to four weeks where this absence is outside Great Britain. No data is recorded on length of absences or destination so it is impossible to predict how many people this will affect. It is likely that the effects of this change will be felt more by non UK nationals and those with family outside the country (and therefore a greater need to travel abroad) than those with no links outside the country. It follows that there may therefore be a higher than average impact on minority ethnic groups. No data is held on these characteristics and therefore the scale of this anticipated impact cannot be confirmed. Aligning rules with those already in place in Housing Benefit will copy across the easements for the deaths of close relatives. The change is likely to affect very few people overall and again, difficult cases can be well managed through Exceptional Hardship awards.

Consultation

Major preceptors have been consulted throughout the process of developing a draft scheme. The legislation also requires us to consult the public on a draft scheme before it can be adopted. Exeter City Council's consultation period ran from 27th June to 4th September 2016. During the 10 week consultation period the following activity was undertaken:

- Personalised letters were sent to 1,214 ECC CTS customers in the groups which may be affected by the proposed changes, either immediately or in the future.
- Information on the consultation process, the draft scheme and links to the online survey were put on the ECC website, both on the consultation pages and the benefits pages.
- Leaflets promoting the consultation were sent to 5,000 ECC Council Tax payers with their bills.
- Leaflets were sent with around 1,000 recovery documents.
- Personalised letters were sent to 13 advice and support agencies operating in Exeter.
- Information on the consultation was sent to ECC staff working with customers who may be affected.

⁷ <https://hansard.parliament.uk/Commons/2016-10-12/debates/FCE9BF08-5EBB-4B4E-B9A8-00516EEFB3D2/ChildTaxCredits>

- The consultation was promoted through social media including to our community contacts to get the message out to as many hard to reach groups as possible.

Respondents highlighted the following points for consideration:

- Adverse impact on children of changes 1 and 6
- Potential disadvantage for carers and parents of change 3
- Change 5 would be removing support from disabled households who are less able to support themselves

Relevant feedback from the consultation responses has been considered in the preparation of this document.

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Proposed Council Tax Support Scheme 2017/18 – Consultation results and summary

Section 3 of schedule 1A to the Local Government Finance Act 1992 states:

“Before making a scheme, the authority must (in the following order)-

- a) ...*
- b) ...*
- c) Consult such other persons as it considers are likely to have an interest in the operation of the scheme.”*

The consultation document was prepared in collaboration with the Devon Benefit Officer Group (DBOG) and with substantial assistance of Devon County Council's Corporate Communications team. In developing the consultation questions regard was had to the Supreme Court decision of 29 October 2014¹ which considered the requirements for an effective consultation on Council Tax Support.

The proposals to be consulted on were agreed at a meeting of the Devon Local Government Steering Group in April 2016. As the proposed changes were common across the county, a single questionnaire was developed to be used by the different Billing Authorities. Devon County Council hosted the online survey with local branding so that responses were made to each Billing Authority.

Promoting the survey

Exeter City Council's consultation period ran from 27th June to 4th September 2016. During the 10 week consultation period the following activity was undertaken:

- Personalised letters were sent to 1,214 ECC CTS customers in the groups which may be affected by the proposed changes, either immediately or in the future.
- Information on the consultation process, the draft scheme and links to the online survey were put on the ECC website, both on the consultation pages and the benefits pages.
- Leaflets promoting the consultation were sent to 5,000 ECC Council Tax payers with their bills.
- Leaflets were included with approximately 1,000 recovery documents.
- Personalised letters were sent to 13 advice and support agencies operating in Exeter.
- Information on the consultation was sent to ECC staff working with customers who may be affected.
- The consultation was promoted through social media including to our community contacts to get the message out to as many hard to reach groups as possible.

Consultation responses

In total 76 online surveys were completed with two further submissions made; one from an individual making comments about the unfairness of the changes not

¹ R (on the application of Mosely) v London Borough of Haringey [2014] UKSC 56

affecting pensioners and one from an organisation which addressed the proposal for a minimum income floor for self-employed claimants in detail.

83% of respondents reported that they pay Council Tax to Exeter City Council; 27% of all respondents were in receipt of Council Tax Support.

Only two respondents were self-employed, 6 were carers, 32 had three or more children and 11 identified themselves as having a health problem or disability.

Overall 70% of respondents agreed with introducing the 8 changes proposed. In a weighted calculation of respondents' preferred options, introducing all 8 changes scored 377 points, ranking first of the five substantive options. Keeping the scheme the same as now ranked second with a score of 317 points. Increasing Council Tax ranked fifth with a score of 231 points.

Responses to the individual changes

Change 1 – Remove the Family Premium for all new working age applicants

70% of respondents supported this change with the remainder either disagreeing (21%) or unsure (9%). Nine people provided further comments, all of which suggested we maintain a scheme which is at least as generous as currently. Three comments felt it was unreasonable to penalise parents and that children were likely to suffer: *"Without this money our children don't eat as well, don't get to go out as often."*

Change 2 – Reduce backdating to one month

75% of respondents supported this change with 22.5% against. Thirteen comments were made, 10 of which suggested retaining backdating at between 2 and 6 months. One suggested removing the limit on backdating altogether and two misunderstood the financing of the scheme and operation of the backdating rules.

Change 3 – Minimum income floor for self-employed claims

79% of responses agreed with this proposal with 13% disagreeing. Eight comments were made. Three want to keep the scheme as it currently stands and one wishes to reduce the period where the minimum income would not apply from the proposed 12 months down to 3. The other comments and the detailed email submission make a number of points which should be considered when deciding whether to adopt this change:

- Make allowance for people who are unable to work full time (carers, parents)
- Use the appropriate minimum wage for the age of the worker
- Only apply to those required to work full time under the Universal Credit rules
- Take account of pension contributions in the same way as for employed claimants

Change 4 – Reduce temporary absence from the UK from 13 to 4 weeks

89.5% of responses were in favour of this proposal. Seven comments were made; four suggested longer periods should be allowed – *"What about holidays over 4 weeks? 6 weeks would be more sensible."* One comment suggested no absence should be allowed and another suggested a link with taxes and duties paid by the traveller.

Change 5 – Remove the Work Related Activity Component for new applicants

76.5% of respondents agreed with this proposal, 10.5% disagreed and 13% were unsure. Six people made comments opposing the change; *“People who cannot work due to illness need more support not less.”*

Change 6 – Limit the number of dependent children counted in the calculation to 2

76.5% of responses were in favour of this proposal with 15.5% opposed and 8% unsure. Nine comments were submitted; five suggested no limit and four suggested a limit of 3 or 4 children instead. Two comments pointed out that couples need to be having more than two children in order to maintain the UK population. Others that it is unfair; *“Don’t punish children for their parents’ decisions.”* *“It is not fair the government is telling people how many children they can have.”*

Change 7 – Remove the Severe Disability Premium where someone receives the Carers Element of Universal Credit to look after them

74.5% of respondents supported this proposal. Only three dissenting comments were made. One suggested the change *“is not fair to people with disabilities.”* Another suggested diverting money from footpath maintenance to keep support at current levels.

Change 8 – Remove the additional earnings disregard for Universal Credit claimants

83% of responses were in favour of this proposal. Three comments were made against the proposal suggesting that *“It removes incentive to work.”*

Additional comments received

Further free text opportunities were included on the survey allowing respondents to make comments on the proposals and alternatives. In total 27 further comments were received. These fell into the broad categories below:

Criticism of Government policy - austerity, welfare cuts and protecting pensioners	7
Criticism of Council spending / suggestions for raising income	7
Support for the proposals in full or in part	7
Criticism of existing CTS scheme	2
Criticism of proposed changes	2
Suggestions for further changes to scheme	2

Consideration of the responses

Overall there was a high level of support for the proposals amongst respondents. Although the number of responses was not especially high this is not unexpected given the technical nature of the changes proposed and the level of detail it was necessary to include in the survey.

The proportion of respondents who receive Council Tax Support was very low at 27%. This was despite activity targeted at this group to encourage them to have their say. This could indicate a lack of concern at the proposals, but may also reflect how lengthy and complicated the questionnaire had to be. It does mean though that

particular attention has been paid to the small number of comments and suggestions received.

Amongst the concerns raised and comments made were several which have caused us to look again at the proposals. Safeguards and exclusions were suggested in particular for the 2 child limit. On consideration of these responses and completion of the Equality Impact Assessment, the recommendation to Members is that Change 6 is not adopted at this point.

The comments and concerns regarding the Minimum Income Floor proposals have also been considered. The detailed submission from Low Income Tax Reform Group was received by a number of Devon authorities so a joint response is being prepared addressing their concerns and clarifying the areas of confusion.

Wherever possible complex exemptions from the changes will be avoided. It is considered to be more efficient and effective to deal with cases of particular hardship caused by the changes through payments under the Exceptional Hardship policy. This allows for extra help to anybody where the changes have an unfair effect or cause the household financial hardship.

Council Tax Support

Exceptional Hardship Policy

September 2016

VERSION CONTROL

Version	Date	Notes
001	October 2012	
002	June 2014	
003	September 2016	To reflect scheme changes from April 2017

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BACKGROUND

The Exceptional Hardship Policy covers the shortfall between Council Tax liability and payments of Council Tax Support.

It has been set up from the revenue funds of Exeter City Council.

Every customer who is entitled to Council Tax Support, or who loses their entitlement because of changes made to the scheme and who has a shortfall is entitled to make a claim for help in the form of an Exceptional Hardship payment.

The main features of the payments are that:

- Exceptional Hardship payments are discretionary
- Customers do not have a statutory right to a payment
- The Benefits and Welfare Service will administer the policy
- Exceptional Hardship falls within S13A(1)(a) of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction scheme
- Council Tax Support must be in payment, or would have been but for changes made to the rules of the scheme, within the week in which an Exceptional Hardship payment is awarded
- Exceptional Hardship payments cannot be awarded to settle arrears of Council Tax for periods prior to the introduction of Council Tax Support in April 2013

In addition to Exceptional Hardship there is a Discretionary Housing Payments scheme which covers the shortfall between rent and Housing Benefit or Universal Credit Housing Costs.

EXCEPTIONAL HARDSHIP AND EQUALITIES

The Benefits and Welfare Service will have regard to the Public Sector Equality Duty (PSED) when considering claims for Exceptional Hardship. It is recognised that Exceptional Hardship has a pivotal role to play in mitigating the effects of changes to Council Tax Support on the most vulnerable households, particularly on individuals with protected characteristics.

Being a flexible and discretionary policy, Exceptional Hardship is capable of making finer distinctions than can be achieved through the rules governing the main Council Tax Support scheme. By identifying those who suffer relative disadvantage because of their protected characteristics, Exceptional Hardship payments should aim to minimise or remove that disadvantage.

We recognise the importance of protecting our most vulnerable customers and also the impact Council Tax Support could have. We have created and maintain an

Exceptional Hardship policy to ensure that we protect and support those most in need. The Exceptional Hardship policy is intended to help in cases of extreme financial hardship, not to support lifestyle choices.

PURPOSE OF THIS POLICY

The purpose of this policy is to specify how Exeter City Council will operate the scheme, and to indicate some of the factors which will be considered when deciding if an Exceptional Hardship payment can be made.

Each case will be treated on its own merits and all customers will be treated fairly and equally in relation to accessibility to payments and also the decision making process.

Where a customer is not claiming a Council Tax discount or exemption to which they may be entitled or a welfare benefit or additional financial assistance, they will be advised, and where necessary assisted, in making a claim to maximise their income, before their claim for Exceptional Hardship payments will be decided.

STATEMENT OF OBJECTIVES

The Benefits and Welfare Service will seek through the operation of this policy to:

- Allow a short period of time for someone to adjust to unforeseen short-term financial circumstances to enable them to manage financially during this time
- Support people in managing their finances
- Help customers through difficult events that affect their finances
- Prevent exceptional hardship
- Support financially vulnerable young people in the financial transition to adult life
- Help those who are trying to help themselves financially
- Alleviate poverty
- Sustain tenancies and prevent homelessness
- Keep families together
- Encourage and support people to obtain and sustain employment
- Give support to those who are financially vulnerable.

An Exceptional Hardship payment is generally a short-term emergency award, whilst the customer seeks alternative solutions. However longer awards may be appropriate in some situations.

It will not be awarded for the following circumstances:

- Where full Council Tax liability is being met by Council Tax Support
- For any reason other than to pay Council Tax
- Where the council considers that there are unnecessary expenses and/or debts and that the customer has not taken reasonable steps to reduce these
- To reduce any Council Tax Support recoverable overpayment
- To cover previous years Council Tax arrears
- A shortfall caused by a Department for Work and Pensions sanction or suspension that has been applied because the customer has turned down work/interview/training opportunities
- When Council Tax Support is suspended

AWARDING AN EXCEPTIONAL HARDSHIP PAYMENT

The Benefits and Welfare Service will decide whether or not to award an Exceptional Hardship payment, and how much any award will be.

When making this decision the Benefits and Welfare Service will consider:

- The shortfall between Council Tax Support and Council Tax liability
- Checking that all eligible Council Tax discounts, exemptions and reductions are granted
- The steps taken by the customer to reduce their Council Tax liability
- Changing payment methods, reprofiling Council Tax instalments or setting alternative payment arrangements in order to make them affordable
- Steps taken by the customer to establish that they are entitled to other welfare benefits
- Steps taken by the customer in considering and identifying where possible the most economical tariffs for supply of utilities and services
- Steps taken by the customer to identify and reduce non essential expenditure
- If a Discretionary Housing Payment has already been awarded to meet a shortfall in rent
- The personal circumstances, age and medical circumstances (including ill health and disabilities) of the customer, their partner and any other occupants of the customer's home

- The financial difficulty experienced by the customer, which prohibits them from being able to meet their Council Tax liability, and the likely length of time this difficulty will exist
- Shortfalls due to non-dependant deductions
- The income and expenditure of the customer, their partner and any other occupants of the customer's home
- All income of the customer, their partner and any other occupants of the customer's home, including those which are disregarded when awarding Council Tax Support
- Any savings or capital that might be held by the customer or their partner
- Other debts outstanding to the customer and their partner
- Whether the customer has already accessed or is in the process of engaging assistance with budgeting and financial/debt management advice. The award of Exceptional Hardship payments may not be made until the customer has accepted assistance either from ECC or an appropriate advice service, and taken steps to manage their finances more effectively
- The exceptional nature of the customer and/or their family's circumstances that impact on finances
- The length of time they have lived in the property.

The list is not exhaustive and other relevant factors and special circumstances will be considered.

An award of Exceptional Hardship does not guarantee that a further award will be made at a later date, even if the customer's circumstances have not changed.

The Exceptional Hardship payment may be less than the difference between the Council Tax liability and the amount of Council Tax Support paid.

PUBLICITY

The Benefits and Welfare Service will publicise this policy and will work with advice and other organisations to achieve this. A copy of this policy will be made available for inspection and will be published on Exeter City Council's website.

MAKING A CLAIM

A claim for an Exceptional Hardship payment will be accepted in whatever format it is made. This may be in writing, by email, face to face or over the telephone. An application can be made by the applicant, a third party or advocate.

Applications for an Exceptional Hardship payment may also be made by referral from a member of Exeter City Council staff or from an advice agency or organisation representative

Following the initial claim the applicant may be asked to complete a form detailing their income and expenditure for the decision making process to begin and additional information may be requested to support the application.

CHANGE OF CIRCUMSTANCES

The Benefits and Welfare Service may revise an award of Exceptional Hardship payment decision where the customer's circumstances have changed, particularly where this changes the amount of their Council Tax Support entitlement

DUTIES OF THE CUSTOMER

A person claiming an Exceptional Hardship payment is required to:

- Give the Council such information as it may require to make a decision.
- Tell the Council of any changes in circumstances that may be relevant to their award.
- Give the Council such other information as it may require in connection with their claim.

AMOUNT AND DURATION OF AWARD

Both the amount and the duration of the award are determined at the discretion of Exeter City Council. This will be done on the basis of the evidence supplied and the circumstances of the claim.

- The start date of an award will usually be the Monday after the claim for an Exceptional Hardship payment is received by the Benefits and Welfare Service, although it may be possible to backdate this award, based upon the individual circumstances of each case.
- The Exceptional Hardship payment will normally be paid for a minimum of one week.
- The maximum length of the award will not exceed the end of the financial year in which the award is given.

PAYMENT OF AWARD

Any Exceptional Hardship payment will be paid directly to the customer's Council Tax account, reducing the amount of Council Tax payable.

OVERPAID EXCEPTIONAL HARDSHIP PAYMENTS

Overpaid Exceptional Hardship payments will generally be recovered directly from the customer's council tax account, increasing the amount of council tax due and payable.

NOTIFICATION OF AN AWARD

The Council will notify the outcome of each application for Exceptional Hardship payments in writing. The notification will include the reason for the decision and advise the customer of their dispute rights.

THE RIGHT TO DISPUTE A DECISION

Exceptional Hardship payments are subject to the same statutory appeal process as decisions on main Council Tax Support.

If the customer is not satisfied with a decision in respect of:

- an application for an Exceptional Hardship payment
- a decision not to award an Exceptional Hardship payment
- a decision to award a reduced amount of Exceptional Hardship payment
- a decision not to backdate an Exceptional Hardship payment
- a decision that there has been an overpayment of an Exceptional Hardship payment

Exeter City Council will look at the decision again.

An officer, other than the original decision maker, will consider the dispute by reviewing the original application and any additional information and/or representation made and will make a decision within 14 days of referral or as soon as practicable thereafter.

Any request for a review must be made in writing, within two months of the date of the notification letter confirming the original decision.

The outcome of the dispute will be in writing, detailing the reasons for a change in the original decision or upholding the original decision.

If a response is not sent within two months or the taxpayer still believes the decision is wrong, they can appeal directly to the Valuation Tribunal.

FRAUD

The Benefits and Welfare Service is committed to protect public funds and ensure payments are paid to the people who are rightfully entitled to them.

A customer who claims an Exceptional Hardship payment by falsely declaring their circumstances, providing a false statement or false evidence in support of their application, may have committed an offence.

Where Exeter City Council suspects that such an offence may have been committed, this matter will be investigated as appropriate and could lead to criminal proceedings.

LEGISLATION

Section 9 of the Local Government Finance Bill 2012 amends section 13A of the Local Government Finance Act 1992 and sets out the requirement for local authorities to develop and adopt a localised Council Tax Support Scheme. This Exceptional Hardship policy forms part of this scheme.

COMPLAINTS

Exeter City Council's "Complaints, compliments and suggestions procedure" (available on our website at: <http://www.exeter.gov.uk/index.aspx?articleid=9261>) will be applied in the event of any complaint received about this policy.

POLICY REVIEW

This policy will be reviewed every 3 years and updated as appropriate to ensure it remains fit for purpose. However, the review may take place sooner should there be any significant changes in legislation or ECC policy.

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REPORT TO People Scrutiny; Executive; Council
Date of Meeting: 3 November 2016; 8 November 2016; 13 December 2016
Report of: Assistant Director Customer Access
Title: Discretionary Housing Payments policy

Is this a Key Decision?

No

Is this an Executive or Council Function? Council

1. What is the report about?

This report seeks member's approval for a Discretionary Housing Payment policy – attached at appendix 1 – that allows the Council to make awards of DHP in a fair, lawful and consistent way.

2. Recommendations:

The report recommends that Council approve the Discretionary Housing Payments policy.

3. Reasons for the recommendation:

The Council can make awards of Discretionary Housing Payments to Housing Benefits and Universal Credit customers who need additional help with housing costs. The aim of this policy is to ensure awards are made fairly and lawfully, supporting the Council's priority of meeting housing need for residents of the City.

4. What are the resource implications including non financial resources.

Discretionary Housing Payments are fully funded by Department for Work and Pensions (DWP) to a level agreed each year (£165,475 for 2016/17) although claims cannot lawfully be rejected on the grounds that the allocated funds have been spent. The level of funding provided by the DWP has always been adequate to meet the level of claims and so expenditure has remained within budget. Adoption of this policy should help to maintain that position as it clearly sets out the Council's aim of supporting people in the short term only and not on an ongoing basis. It promotes people taking ownership of their issues and finding solutions themselves with only short term help from ECC.

5. Section 151 Officer comments:

Adoption of this policy should not have any further financial implications for the Council.

6. What are the legal aspects?

As it is a discretionary fund, we are required to have a policy which sets out how we will exercise our discretion in making decisions on Discretionary Housing Payments. Failure to have a policy which officers follow when administering the scheme could leave us open to legal challenge.

7. Monitoring Officer's comments:

This report raises no additional issues for the Monitoring Officer than those already identified in the report.

8. Report details:

8.1 Discretionary Housing Payments (DHP) funding is given to all local authorities administering Housing Benefit. It is a flexible fund for people in receipt of Housing Benefit or Universal Credit Housing Costs who need extra help with their housing costs. The amount granted by Department for Work and Pensions varies each year in line with changes to Housing Benefit and other welfare benefits.

8.2 The regulations governing the use of DHP allow very broad discretion for local authorities to decide who can be awarded DHP and how much they can receive. The regulations are supplemented by Good Practice Guidance published by Department for Work and Pensions and a limited amount of case law.

8.3 As this is a discretionary fund we cannot have a policy which is unreasonably restrictive or fetters the discretion of decision makers. The policy seeks to highlight groups of customers who we particularly wish to support through the fund and sets out the broad parameters within which individual awards will be decided.

8.4 DHPs play an important role in helping tenants retain their tenancies, prevent homelessness, and enable tenants to move to more affordable accommodation. The payments can cover all or part of a shortfall in a tenant's rent, or cover rent in advance, deposits, and other costs that a tenant may incur to secure a new affordable tenancy. In the year to date half of expenditure has been paid towards the costs of moving, particularly rent deposits. A further 17% of the expenditure has been to support customers in the short term while they secure new, more sustainable accommodation. Decision makers work closely with the Housing Needs team, the PATH private rented team and other partners to deliver flexible additional support. This fund allows us to respond flexibly to local priorities and the impacts of national policies in our communities at no cost to the Authority.

8.5 Due to the limited nature of the fund, DHPs are normally only awarded to provide short term help and not on an ongoing basis. This will allow applicants time to consider their housing options, to take reasonable steps to improve or resolve their situation, and come to a long term sustainable solution. Supporting people in the short term to help them to improve their own situation is a key aim of this DHP policy.

9. How does the decision contribute to the Council's Corporate Plan?

This policy supports Exeter's communities and neighbourhoods by helping residents remain in suitable accommodation and reduces avoidable homelessness. By providing a level of support in addition to mandatory benefits we are able to support complex family and personal situations which are not recognised through statutory entitlement. This enables us to support customers through the transition to work, move to sustainable accommodation, keep families together and ultimately increase financial independence.

10. What risks are there and how can they be reduced?

There are minimal risks to adopting this policy. It protects us from the risk of legal challenge if we don't have a valid policy in place.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

Discretionary Housing Payments are available without discrimination to all Housing Benefit or Universal Credit Housing Costs customers with unmet housing costs. The policy includes the objectives to support vulnerable people in the local community, keep families together and safeguard residents in their homes. Providing additional funds in a more flexible way than mainstream benefits plays a valuable role in avoiding more costs to individuals and the wider public purse by reducing the risk of homelessness, helping to keep families together and providing crucial support to vulnerable individuals including those with protected characteristics.

12. Are there any other options?

The Council can choose not to adopt this policy. This would leave the authority vulnerable to legal challenge.

Bindu Arjoon
Assistant Director Customer Access

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:
Democratic Services (Committees)
Room 2.3
01392 265275

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APPENDIX 1

REPORT TO	People Scrutiny, Executive and Council
Date of Meeting:	3 November 2016; 8 November 2016; 13 December 2016
Report of:	Assistant Director Customer Access
Title:	Discretionary Housing Payments Policy



Exeter City Council

Discretionary Housing Payments

DHP Policy

September 2016

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Background

Discretionary Housing Payments (DHPs) are allocated by local authorities to help those in receipt of Housing Benefit (HB), or the housing costs element of Universal Credit (UCHC), who require further financial assistance to meet their housing costs.

The legislation governing DHPs can be found in s69 of the Child Support, Pensions and Social Security Act 2000 and in the Discretionary Financial Assistance Regulations 2001 (SI 2001 No. 1167).

The DWP set a maximum amount each year that Exeter City Council can award through DHP.

DHPs play an important role in helping tenants retain their tenancies, prevent homelessness, and enable tenants to move to more affordable accommodation. The payments can cover all or part of a shortfall in a tenant's rent, or cover rent in advance, deposits, and other costs that a tenant may incur to secure a new affordable tenancy.

Due to the limited nature of the fund, DHPs are normally only awarded to provide short term help and not on an ongoing basis. This will allow applicants time to consider their housing options, to take reasonable steps to improve or resolve their situation, and come to a long term sustainable solution. Supporting people in the short term to help them to improve their own situation is a key aim of the DHP policy.

The main features of the scheme are that:

- DHPs are discretionary
- Applicants do not have a statutory right to a payment
- It is a cash limited fund
- The Benefits and Welfare Service administers the scheme
- DHPs are not a payment of Housing Benefit or Universal Credit
- Housing Benefit or Universal Credit with a Housing Costs element must be in payment in the benefit week that a DHP is awarded for.

Purpose of the Policy

The purpose of this policy is to specify how Exeter City Council's Benefits and Welfare Service will operate the scheme and to indicate some of the factors that will be considered when deciding if a DHP award can be made.

- Each case will be treated strictly on its merits.
- All applicants will be treated equally and fairly when the scheme is administered.

Statement of objectives

The Benefits and Welfare Service will seek through the operation of this policy to:

- help those who are trying to help themselves
- alleviate poverty
- safeguard Exeter residents in their homes
- encourage Exeter residents to obtain and sustain employment
- support vulnerable young people in the transition to adult life
- keep families together
- support vulnerable people in the local community
- help applicants through personal crises and difficult life events

DHP awards will not be used to undermine the ambition of welfare reform to encourage people currently out of work to take their first steps into employment, nor support irresponsible behaviour, nor assist in situations that are so prevalent that a consistent approach to making such payments would involve expenditure above the maximum allowed.

When administering DHP the Council will take a broad view, considering the whole circumstances of an applicant; all the options available to them; how the Council can use DHP to help the applicant overcome any barriers; and where necessary refer applicants to appropriate employment, welfare, budgeting and housing advice.

Where it is apparent that an applicant is not claiming another state benefit they may be entitled to, they will be advised to make a claim in order to maximise their income.

Claiming a DHP

- DHPs can be requested from the Benefits and Welfare Service through any channel (telephone, face to face, email, in writing etc.) by anyone (claimant, family member, landlord, support worker etc.)

- Following the initial request a DHP application form may be issued to gather full details, unless the claim can be determined without a form.
- The applicant will be required to return the form to the Benefits and Welfare Service within one month of its issue with any relevant supporting evidence.
- The Benefits and Welfare Service may request evidence in support of an application.
- The Benefits and Welfare Service reserves the right to verify any information or evidence provided as part of or in support of an application.

Awarding a DHP

The Benefits and Welfare Service will retain full discretion when deciding whether or not to award a DHP, the amount and duration of any award. Decisions will be made in compliance with the relevant legislation and case law. When considering applications, regard will be had to this policy, guidance and good practice from the DWP.

The current DWP guidance can be found on gov.uk or using the following link in the electronic version of this document. [Current DWP DHP guide](#)

When making their decision the Benefits and Welfare Service will consider:

- the shortfall between Housing Benefit / Universal Credit and the rent liability
- the steps taken by the applicant to reduce their rent liability
- the medical circumstances (including ill health and disabilities) of the applicant, their partner and any dependants and any other occupants of the applicant's home
- the income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home
- any savings or capital held by the applicant or their family
- the level of indebtedness of the applicant and their family
- the exceptional nature of the applicant and their family's circumstances
- the length of time they have lived in the property
- the possible impact on the Council and other public authorities of not making such an award, e.g. the pressure on priority homeless accommodation
- previous awards
- such other circumstances and information that the officer considers relevant in a particular case

The decision maker may consider it appropriate to meet with the applicant to help achieve full understanding of their circumstances. This could be at the applicant's home or council offices. Applicants may be asked to provide details of their income and outgoings to assess the extent of their financial hardship.

An award of a DHP does not guarantee that a further award will be made at a later date even if the applicant's circumstances have not changed. The DHP awarded may be less than the difference between the rent liability and the amount of Housing Benefit / Universal Credit paid.

Period of award

The Benefits and Welfare Service will decide the length of time for which a DHP will be awarded on the basis of the evidence supplied and the facts known.

- The start date of an award will usually be the Monday after the written claim for a DHP is received by the Benefits and Welfare Service
- The maximum length of award will usually be to the end of the tenancy or a period not exceeding 12 months.

The Benefits and Welfare Service will consider any reasonable request for starting an award from an earlier date. Awards will normally be limited to starting in the current financial year.

Method of payment

The Benefits and Welfare Service will decide the most appropriate person to pay based upon the circumstances of each case. This could include paying:

- the applicant or their partner
- an appointee
- their landlord (or an agent of the landlord) or
- any third party to whom it might be most appropriate to make payment.

The Benefits and Welfare Service will pay an award of DHP by the most appropriate means available in each case.

This could include payment:

- to a bank account
- by crediting the applicant's rent account;

Payment frequency will normally be in line with payment of Housing Benefit.

Notification of a decision

The Benefits and Welfare Service will inform the applicant in writing of the outcome of their application as soon as is reasonably practical. Where the application is unsuccessful, the Benefits and Welfare Service will set out the reasons why this decision was made and explain the right of review. Where the application is successful, the Benefits and Welfare Service will advise:

- the weekly amount of DHP awarded
- whether it is paid in advance or in arrears
- the period of the award
- how, when and to whom the award will be paid
- the requirement to report a change in circumstances

Changes of circumstances

Decisions may be reviewed where the Benefits and Welfare Service think fit. Awards of DHP, including periods already paid, may be revised where the applicant's circumstances have materially changed.

The right to seek a review

DHPs are not payments of Housing Benefit or Universal Credit and are therefore not subject to the statutory appeals process.

The Benefits and Welfare Service will operate the following principles when dealing with a review request following a refusal to award a DHP, a decision to award a reduced amount of DHP, a decision not to backdate a DHP or a decision that there has been an overpayment of a DHP.

- An applicant (or their appointee or agent) who disagrees with a DHP decision may request a review. This should be delivered in writing to the Benefits and Welfare Service within one calendar month of the written decision about the DHP.
- A different officer within the Benefits and Welfare Service will review the case. The officer will review all the evidence held and will make a decision within 14 days of referral or as soon as practicable thereafter.
- The outcome of the review will be notified to the applicant in writing, setting out the reasons for their decision.
- The decision made by the reviewing officer will be final.
- In exceptional circumstances only, any of the above time periods for review may be extended by the officer. In deciding to extend, they will take into account any delay in seeking independent advice that was outside the control of the applicant.

Overpayments

- The Benefits and Welfare Service will normally seek to recover any overpaid DHP if the applicant has misrepresented or failed to disclose a material fact in their application or an error was made at the point of making the decision.
- An invoice will be issued to the applicant or the person to whom the award was paid.
- The decision letter that notifies a decision that there is an overpayment will also set out the right of review.
- Consideration of the reasonableness of recovery action in a particular case will be in line with the Council's overpayment policy.

Vulnerability and equalities

The Benefits and Welfare Service will have regard to the Public Sector Equality Duty (PSED) when considering claims for DHP. It is recognised that DHP has a pivotal role to play in mitigating the harshest effects of welfare reforms on the most vulnerable households, particularly on individuals with protected characteristics.

Being a flexible and discretionary fund, DHP is capable of making finer distinctions than can be achieved through legislation governing statutory entitlements. By identifying those who suffer relative disadvantage because of their protected characteristics, DHP awards should aim to minimise or remove that disadvantage.

Examples of where DHP can be used to further the aims of the PSED:

- Age – Where young individuals cannot reasonably occupy shared accommodation, DHP can be used to top up rent on self-contained property.

- Disability – Where household members are unable to share rooms due to disability but do not meet the threshold in the Housing Benefit regulations for an extra bedroom, DHP can cover the Social Sector Size Restriction.
- Pregnancy and maternity – Where claimants are expecting a child which will alter their bedroom requirement, DHP can cover the shortfall in advance of the birth allowing the claimant to move and settle before the baby arrives.
- Other protected characteristics (gender reassignment, race, religion or belief, sex and sexual orientation) – In any case where a customer's accommodation is unsuitable due to their protected characteristic, for example harassment from neighbours, DHP can be used to help claimants move to more suitable accommodation. It can also be used to support claimants in more expensive accommodation that is particularly suitable to needs arising from their protected characteristic.

Performance and Risk Management

This policy will be regularly reviewed and monitored to ensure that is effective and fit for purpose. The highest risk to the scheme will be the potential to overspend the fund. Expenditure will be reviewed on a monthly basis and reported through the appropriate channels.

Publicity

The Benefits and Welfare Service will publicise the scheme and will work with all interested parties to achieve this. A copy of this policy statement will be made available for inspection and will be posted on Exeter City Council's website.

Fraud

The Benefits and Welfare Service is committed to the fight against fraud in all its forms. An applicant who tries to fraudulently claim a DHP by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Social Security Administration Act 1992 or the Theft Acts 1968 and 1978. Where the Benefits and Welfare Service suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.

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