

# Welfare Support Corporate Resources OSC 28<sup>th</sup> November 2022

Context

Updates

- Impact of Universal Credit
- Financial support
- Impact on residents and council tenants
- Household Support and Energy Rebate

Case Studies

# Context

- **94,938** households
  - 49% owner occupied
  - 21% managed by Gateshead Council
  - 25% private landlord
  - 5% registered social landlord
- Deprivation – **21 areas** fall within the 10% most deprived areas (32,700 people or 16% of population)
- Low income - nearly **22%** households on an income less than £15,000 p.a.
- Levels of debt – **over 9%** in council tax debt (2021)
- Children in poverty – **almost 29%** of children under 16 in low income families (2020/21)
- Fuel poverty – **over 14%** considered to be in fuel poverty(2020)
- Carers and poverty rates – **28% unpaid carers providing over 100 hours** per week. (Census 2011)
- Universal Credit – **over 21,700** recipients
- Housing Benefit – **over 10,000** households

# Universal Credit update

- Other benefit systems
  - Job Seekers Allowance
  - Attendance Allowance
  - Disability Living Allowance
  - Employment and Support Allowance
  - Carers Allowance
  - Housing Benefit
  - Tax Credits
- Timeframes
- Problems arise when:
  - Change of circumstances
  - Poor money management

# Financial Support

- Local Council Tax Support  
**21,112** eligible
  - **12,695** are working age
  - **8,417** pension age
- Free school meals – **over 7,500** children
- Housing Benefits
  - **6,070** council tenants
- Discretionary Housing Payments
  - **917 council tenants**
- Rent advice and support work in last year resulted in financial gains of **over £1.7m in 2021/22**

Demand from local people for financial support continues to be a priority

## **Council Tax**

- 60,000 telephone calls per year – average of 250 per day

## **Benefits**

- 48,000 telephone calls per year – average of 200 per day

## **Housing - Rent and income**

- 48,000 telephone calls per year – average of 200 per day

## **Housing – Advice and Support**

- 6,000 telephone calls per year – average of 25 per day

# Impact on residents and council tax income and benefits

## Themes:

- Universal Credit and Council Tax collection
  - Change of circumstances
  - Hardship relief during pandemic
- Cost of living impacts:
  - Requests from residents for support have increased
  - Much higher levels of requests for help with more than council tax debt
  - Some residents who have previously managed are now struggling
  - Increase in number of children receiving Free School Meals
    - increase from around 4,000 in 2017 to 7,500 in 2022

# Council Tax and Benefits – what we're doing

- Reviewing recovery processes and letters to encourage more contact
- Working with Citizens Advice Gateshead - direct access to support
- Working with Adult Social Care teams, Housing, Legal
- Maximising benefits
- Understanding the signals - making contact count
- Project to understand residents debt and shape debt management policies

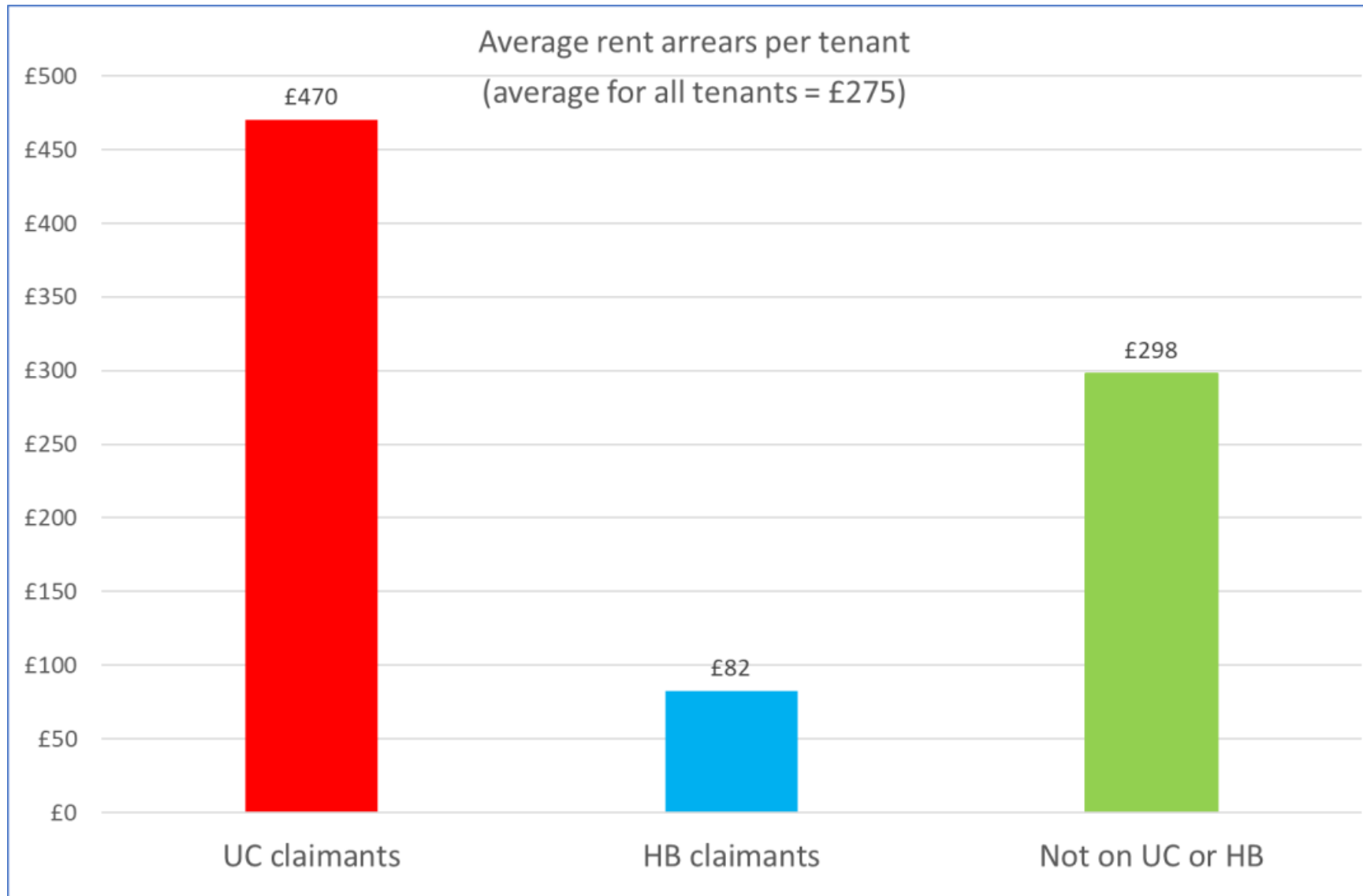
# Impact on council tenants and rental income

## Themes:

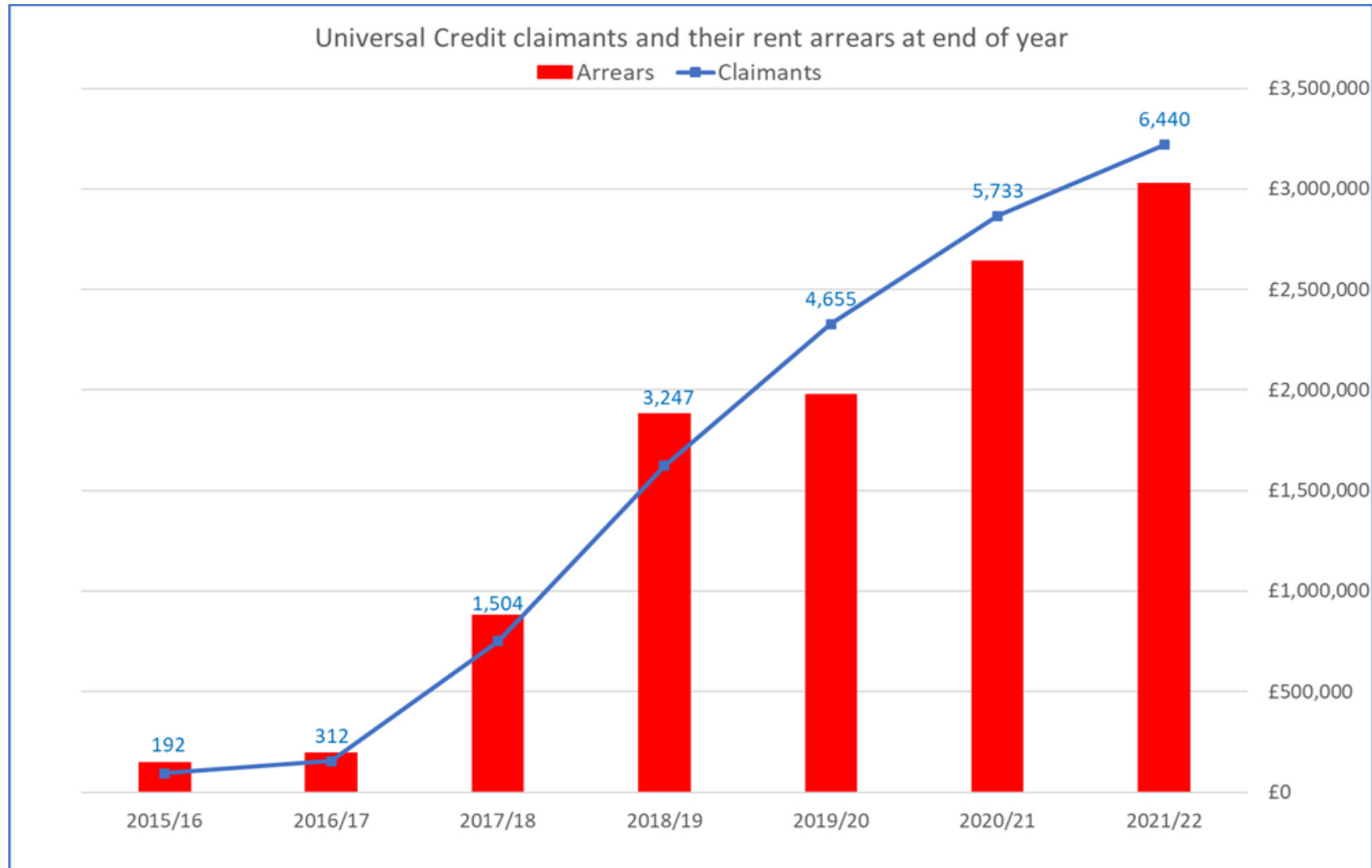
- Link between Universal Credit and higher levels of rent arrears is still very evident
  - More tenants will be forced to switch from Housing Benefit to Universal Credit in future
  - Support for tenants has mitigated the impact
- Cost of living impacts:
  - Requests from tenants for support have increased
  - Much higher levels of requests for help with energy costs / issues
  - Higher incidences of direct debits failing
  - Some tenants who have previously managed are now struggling



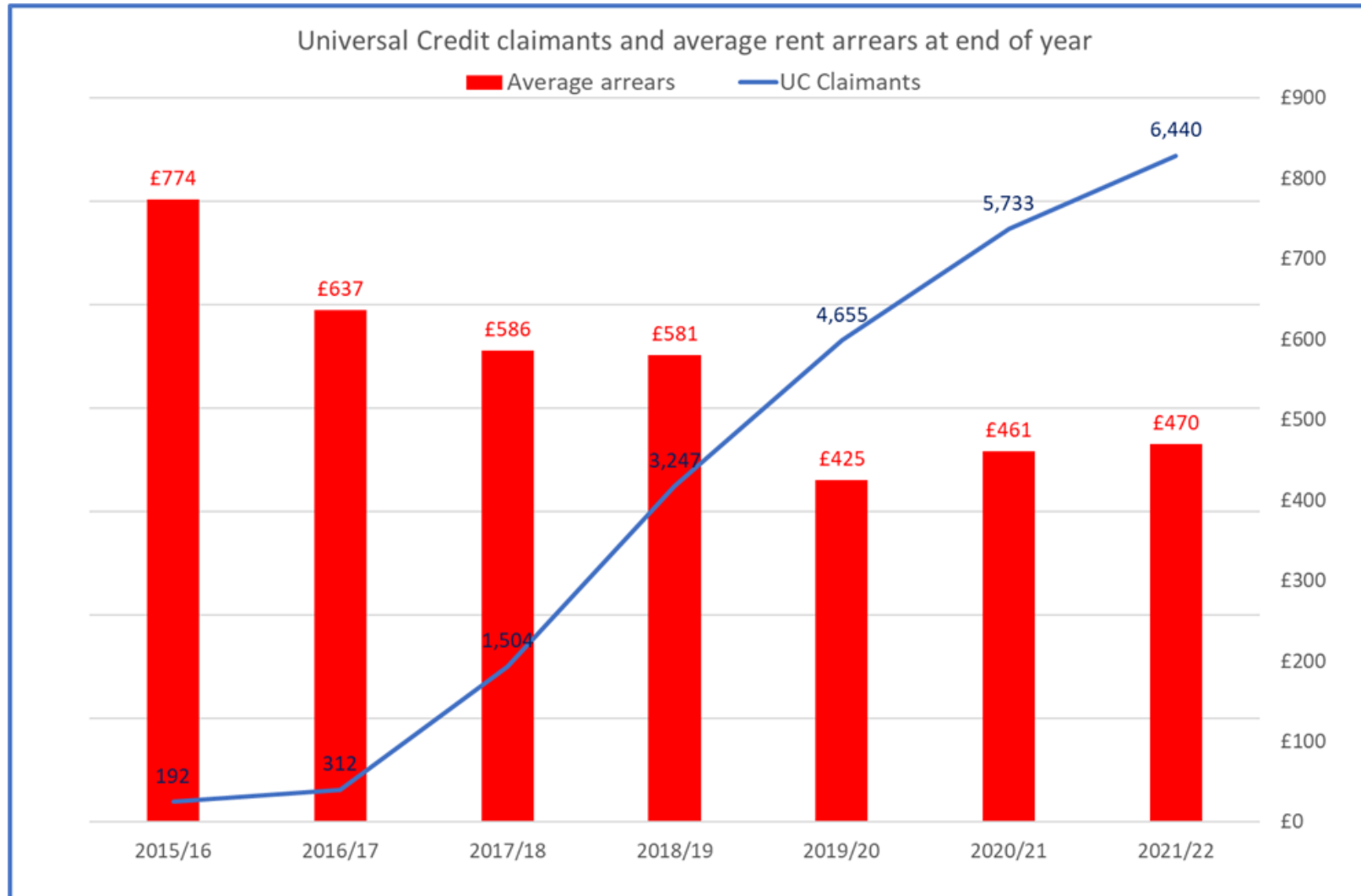
# Higher levels of rent arrears with Universal Credit



# Rent arrears increasing as take-up of Universal Credit rises to more than 6,400 tenants



# By providing support, the average arrears per UC claimant is less than in earlier years



# Under-occupation penalty and benefit cap

## **Under-occupation penalty**

- 2,838 tenants affected back in 2013 when first introduced
- 1,132 tenants now known to be affected
  - 916 with one room deemed spare
  - 216 with two rooms or more
- Still represents a financial burden for those affected
- 917 tenants currently in receipt of a Discretionary Housing Payment

## **Benefit cap**

- 15 tenants affected back in 2013 when first introduced
- 130 tenants now affected

# Cost of living impacts – council tenants

Recent monitoring exercise showed:

- 60% increase in requests for support this year compared to last year
- 147% increase in energy referrals
- 39% increase in referrals for specialist debt advice
- 28% increase in direct debit payments failing
- Out of 100 tenants contacted in a sample exercise, 65 said that the cost of living was a reason for them missing a rent payment

# Support and mitigation for tenants

- Within team and via referrals to partner organisations
  - eg CAG, 2-Way Tenancy Solutions
- 2021/22 delivered over £1.7 million in financial gains for tenants
  - Expected to exceed that amount in current year
- Particular focus on Universal Credit claims
  - maximising applications for an Alternative Payment Arrangement on behalf of tenant (where housing costs sent to us directly)
  - 2,994 APAs in place (45% of tenants on Universal Credit)
- Referrals to Northumbrian Water to reduce bills

# Energy support for tenants

- Emergency top ups for prepayment meters
- Grant applications to have energy arrears reduced
- Support for residents with prepayment meters with unexpected standing charges
- Support for gas-capped residents – where gas supply disconnected / capped at the meter
- Growing network of Warm Spaces (75 in total so far)
- Energy roadshows across the Borough

# Household Support Fund (2)

- £1,832,000 – May 2022 to September 2022
- Households with children
  - Free school meals over the holidays (May and Summer)
  - 7,800 children - £811,000
- Older people households
  - 8,500 households £70 grants totalling nearly £600,000
- Remaining spend
  - Voluntary and community organisations
  - Referral scheme
  - Warm Spaces



# Lessons learned

## What has worked

- Teamwork
- Quick allocation
- Existing systems
- Payments cashed at Post Office
- Grants to the Food Network
- Warm spaces set up

## Challenges

- Cost of living crisis / limited funding
- Identifying those in need
- Multiple issues identified
- Increase in free school meals.
- Guidance and timeframes to set up
- Speed of allocation with rigorous checks
- National publicity - increase in contact
- Management information

# Household Support Fund (3)

## New scheme

- Extended until March 2023
- £1,836,629
- Changes to the scheme
  - Application process
  - Targeting vulnerable households
  - Households not eligible for other support
  - No set proportions for children or pensioners

## Implementation

- Free school meals – holidays
- Application process
- Voluntary and Community Organisations
  - Food Co-ops
  - Foodbank
  - Food network grant programme
  - Warm spaces
  - Energy reconnection
  - Feeding families
  - Baby milk
  - Warm box programme

# Energy Rebate scheme

## Main scheme

- £150 per band A-D Council Tax household
- £12,927,000
- Over 86,000 payments
- Majority in first 8 weeks

## Discretionary scheme

- £422,260
- Over 20,500 payments

## Implementation

- Direct Debit payers
- Non Direct Debit payers
  - Contact
  - Reminders
- Multiple methods of payments
  - Bank account
  - Post office payments
  - Credit to Council Tax account

# Lessons learned

- Cross council effort worked well
- Dedicated phone line
- Increased direct debits
- Quick to respond to digitally excluded
- Post office payments worked well
- Additional support and advice needed – financial struggles
- Communication around expectation
- Experience, data and systems in place

# Case studies - Council tax debt

## Case Study 1 - X contacted Council Tax Team

- Estimated debt £25k and impacting upon mental health.
- Prescribed anti-depressants but not taking them.
- Debt advisor pulled in for help and support.
- Working with CAG
- Hold applied to Council Tax account breathing space
- Counselling Service pulled in for help with X.
- Bankruptcy deemed best way forward by debt advisor but payment of fee a major obstacle.
- X works in the travel industry, application to ABTA Lifeline. Debt Advisor made application.
- ABTA Lifeline agreed to pay bankruptcy fee. Bankruptcy approved.
- Thank you card - “you quite literally rescued me”.

## Case Study 2 - Y visited Council to discuss her council tax arrears.

- Single parent with 3 children each with their own unique needs
- Application made to Greggs Hardship Fund to help secure a bed for the family.
- Northumbria Water to help sort out water bill.
- School uniform for youngest child.
- Donation of 2 laptops to a family in need to help with home learning
- Bike sourced for youngest child via Big Bike Revival and Amnesty.
- Targeted Family Support secured a transfer of schools for youngest child.
- Income maximised with all entitled benefits now being claimed.
- Y advised that the day she came to discuss her council tax she had no idea how this would change the direction of her and family’s life for the better