

ARGYLL AND BUTE COUNCIL
FINANCIAL SERVICES

BUSINESS CONTINUITY COMMITTEE
THURSDAY 11 JUNE 2020

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the wide reaching welfare reform agenda that saw the introduction of Universal Credit (UC).

- 4.2 Where the projected household income from benefits exceeds the cap HB is reduced until the cost of

measures have all worked well.

4.8 Unfortunately not every household has been able to take the action to come off the cap and 9 households remain affected. The current DHP policy only allows for DHP support to be granted for benefit cap claimants as follows:-

- Automatic award for 13 weeks on submission of application form
- Further 13 weeks granted if the claimant supplies proof of engagement with a work coach at the JCP.
- Further support from week 26 to week 52 where exceptional circumstances can be demonstrated.

4.9 Whilst the current DHP policy has worked well for most claimants affected by the cap there are some it has not helped. The policy needs to be widened to allow some households in specific circumstances, who are beyond the 52 week limit, to take the action required to remove themselves from the cap.

ANALYSIS OF HOUSEHOLDS AFFECTED BY THE CAP IN APRIL 2020

4.10 The table below illustrates the 9 households that remain on the Benefit Cap at April 2020.

Claim no.	No of Deps	No of Non-Dep _s	Value of Benefit Cap (£ per week)	Potential Annual DHP cost (£)	DHP application history	Landlord
6	6					

running up rent arrears with landlords. It is a significant problem for landlords and in some circumstances there is not much they can do to support their tenants because they are at a time of their lives where the prospect of employment is extremely limited.

- 4.13 Covid-19 adds further pressure to these families as employment is likely to be even harder to come by in the future. The Scottish Government has written to UK government asking them to consider removing the Benefit Cap temporarily. This would help our claimants however it is still believed that a change to the Councils policy would really help these vulnerable households in the future.

PROPOSED POLICY AMENDMENT

- 4.14 The proposal is to amend the DHP policy to allow claimants affected by the Benefit Cap to be supported by DHP for more than 52 weeks where;

1. there are clear and obvious barriers to work for a household such as
 - a. language barriers where English is not the claimants first language
 - b. caring responsibilities within the household making the attainment of employment unrealistic, (i.e. where there are multiple young dependent in the household)
 - c. other non-financial factors affecting the claimants ability to work including mental health illness, being the victim of domestic abuse or in circumstances where the Council UK health4998965j 3.333995

move into employment. A further extension beyond 26 weeks to 52 weeks is also unchanged and is dependent on there being exceptional circumstances. We are proposing that the award can be extended beyond 52 weeks if supported by a signed agreement between the tenant and the Council incorporating a development plan to help the tenant to further prepare themselves for the employment market.

- 4.18 Section 7 deals with priority groups. It is proposed that benefit caps cases are split as follows. Those households who are engaging with DWP Work Coaches would fall into Priority Group D. Those households who are not engaging would fall into Priority Group E which is the catch all group for those not in any other category.

SCENARIO

- 4.19 The hypothetical scenario to demonstrate how the proposed new policy will work looks at the situation for a household in the following circumstances:-

- composition of household is a married couple with 5 children between the ages of 1 year and 13 years old
- the claimant is a foreign national who resides in temporary accommodation where the Council is the landlord.
- rent for such a big property is £120.50 per week and this is covered by HB capped at £0.50 per week plus temporary DHP of £120 per week.
- one parent leaves the household after being found guilty of domestic abuse against their partner and all of the children

- 4.20 This claimant has seen her HB income reduced from £120 per week to £0.50 per week as a result of the Benefit Cap. She has received DHP payments to fill this gap from 1 March 2019 to 28 February 2020 covering a total of 52 weeks.

- 4.21 Appendix 1 shows the way the current DHP policy is applied to the household. ~~At~~

4.22 Appendix 2 shows the difference that extending the DHP beyond 52 weeks can have in these exceptional circumstances. In this scenario at 52 weeks;

- The Council work with the household to establish a reasonable development plan for the single mother to participate in which can be accommodated around the important duties she undertakes to care for her children.
- The DHP extension for at least a further 52 weeks takes the youngest child to 3 years old when they can go into nursery care for 30 hours per week. It is reasonable to expect the mother to be able to undertake paid employment of 16 hours per week minimum when this happens.
- In advance of this she agrees to undertake a degree of online training per week to build language skills and confidence. This is reviewed every 13 weeks to ensure compliance and to amend the development plan.
- Rent arrears do not accrue so the household feels more secure in their tenancy. The Council's Housing Services do not need to absorb the rent arrears or take any negative actions as they know the tenant is engaged and planning to move into work when it is possible.
- The eldest child reaches the age of 15 and is assisted as appropriate to

4.28 This additional strain on DHP is money that the Council would have to pay through Housing Services to support these claimants affected by the benefit cap. The unpaid rent would have to be covered by the Council and whilst a debtor account would be issued to the household if they moved on the likelihood of them being able to pay it.

Cap where they have not been able to

APPENDIX 1 – SCENARIO OF HOUSEHOLDS CUSTOMER JOURNEY SUPPORTED BY THE EXISTING DHP POLICY

		STAGE 1:	STAGE 2	STAGE 3	STAGE 4	STAGE 5
		Tenancy Week 1 to Week 13	Tenancy Week 13 to Week 26	Tenancy Week 26 to Week 52	Tenancy Year 1 to Year 2	Year 2 to Year 3
	<p>Family (Mum and Dad and 5 children aged between 1 and 13) From Eastern Europe but have moved to Argyll and Bute. Both parents are unemployed</p>					
FINANCIAL	<p>Receiving range of benefits including Full Housing Benefit (HB) at £120.50 per week, matches rent liability</p>	<p>Benefit Cap introduced by UK Government in Week 1. Reduces HB entitlement to the minimum £0.50 per week meaning that a gap of £120 per week between HB and rent.</p>	<p>DHP awarded £120.50 per week RENT covered by £120 pw DHP + £0.50 pw HB No rent arrears</p>	<p>DHP awarded £120.50 per week RENT covered by £120 pw DHP + £0.50 pw HB No rent arrears</p>	<p>DHP stops HB continues at £0.50 per week but now gap in rent of £120 per week. Result RENT ARREARS of £6,240</p>	<p>Rent arrears are escalating by the end of the year debt reaches £12,480</p>
TENANT ACTION		<p>Assist by landlord to submit DHP claim to Council on grounds of hardship, caused by benefit cap</p>	<p>At week 13 claim DHP extension. Attended appointments at JCP with work coach to a search for job</p>	<p>DHP claim for extension under exceptional circumstances is made and awarded.</p>	<p>Rent arrears, getting chased for money from landlord. Being advised to get into work when not possible to do so. Submits appeal to Tribunal Service for application of benefit cap and removal of DHP - it fails. Stress, impact on whole family, education, health, desperation uses lawyer to threaten judicial review re Council's reasonableness.</p>	<p>Loses appeal to tribunal service, no prospect of winning judicial review. 16 hours work per week</p>

APPENDIX 2 – SCENARIO OF HOUSEHOLD

APPENDIX 3

Sections highlighted in **Yellow** are

general all high priority applicants will rank above medium priority applicants irrespective of which group A to E they fall into. Within a priority level (high, medium or low) applicants in group A would rank above group B and so on.

The intention would be to support all groups A to E high priority cases and as many of the medium priority cases possible. It is unlikely that any low priority cases will receive support.

PRIORITY GROUP D

- To