

This Report will be made public on 12 September 2023



Report Number **C/23/29**

To: Cabinet
Date: 20 September 2023
Status: Non-Key Decision
Responsible Officer: Lydia Morrison, Corporate Service Director
Cabinet Member: Councillor Tim Prater

SUBJECT: WELFARE REPORT AND OVERVIEW 2022/23

SUMMARY: This report gives an overview of the work of the Folkestone & Hythe District Council (FHDC) Welfare and Compliance & Development Teams for the year 2022/23, covering additional support offered to residents on top of standard Housing Benefit and Council Tax Reduction support.

REASONS FOR RECOMMENDATIONS:

To receive and note the report as a review of work carried out by Folkestone & Hythe District Council in 2022/23.

RECOMMENDATIONS:

1. To receive and note report C/23/29.

1.0 BACKGROUND

- 1.1 Through the utilisation of the Council's Welfare and Compliance & Development Teams the Council has been able to offer a wider range of additional support to residents over the past 12 months than ever before. This includes new initiatives and support through the Household Support Fund and the new Home Essentials Fund using allocations from the UK Shared Prosperity Fund; as well as 4 new energy support schemes.
- 1.2 The teams have operated many different payment and award schemes that have overlapped and by working together the Council has been able to support residents with a fully rounded service.
- 1.3 Using different Government funding streams, the Council has aimed to maximize and target support to the most vulnerable qualifying residents.

2.0 DISCRETIONARY HOUSING PAYMENTS

- 2.1 Discretionary Housing Payments (DHPs) are an emergency fund to be used to alleviate hardship to allow customers time to find alternative solutions to their shortfall in income. Whilst the majority of DHP awards will provide short term support, welfare reform changes mean that there are some exceptional cases where DHP will be required in the longer term. However, DHP should never be considered as a permanent solution.
- 2.2 DHPs can be used to cover housing costs which in general means shortfalls between eligible rental liability and payment of Housing Benefit. In addition, Local Authorities have the discretion to make payments of DHP for rent in advance or a deposit and other one-off housing related costs such as help with removal costs.
- 2.3 To qualify for an award the customer must be entitled to:
 - Housing Benefit (HB); or
 - Universal Credit (UC) housing element; *and*
 - have a rental liability; *and*
 - require further financial assistance with housing costs.
- 2.4 Funding is allocated annually by the DWP. For the year April 2022 to March 2023 Folkestone & Hythe District Council's allocation was £205,129. Any unused funding must be returned to the DWP. This was a reduction of £84,292 from the previous year.
- 2.5 During 2022/23 the Council received 551 applications for DHP and made 377 awards; this was an increase from the 292 awards that were made in 2021/22 from 492 applications. Below is a breakdown of how the funding was spent by award and allocation.

Discretionary Housing Payments 2022/23		
Reason for award	Cases paid	Value
To help secure and move to alternative accommodation (e.g. rent deposit)	93	£92,069
To help with short term rental costs while the claimant secures and moves to alternative accommodation	18	£6,606
To help with short term rental costs while the claimant seeks employment	30	£21,326
To help with repeated rental costs for any other reason	236	£124,237
Total	377	£244,238

2.6 Due to the demand and reduction in funding the Council utilised elements of Household Support Fund (please see section 4.10 of this report) to ensure that support could be offered to households throughout the year as the DWP funding was not sufficient for demand.

3.0 FINANCIAL SUPPORT PAYMENTS

3.1 A Financial Support Payment is designed to assist persons who have applied for Council Tax Reduction and who are facing 'exceptional hardship'. This is to provide further assistance where an applicant is in receipt of Council Tax Reduction but the level of support being paid by the Council does not meet their full Council Tax liability.

3.2 Exceptional Hardship falls within Section 13A (1) of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction scheme. A pre-requisite to receive an award is that an application for Council Tax Reduction has been made.

3.3 Through the operation of the scheme the Council will look to:

- Allow a short period of time for someone to adjust to unforeseen short-term circumstances and to enable them to "bridge the gap" during this time, whilst the applicant seeks alternative solutions;
- Help applicants through personal crises and difficult events that affect their finances;
- Help those applicants who are trying to help themselves financially; and
- Encourage applicants to contact the Job Centre Plus to obtain and sustain employment.

3.4 The scheme also supports Kent County Council (KCC) care leavers aged over 21 to 25 where the Council automatically awards up to 100% support in Council Tax once Council Tax Reduction has been applied and the care leaver status has been identified. This is a local scheme to Folkestone & Hythe to offer additional support to care leavers.

3.5 Awards made are funded through the collection fund. Costs are therefore shared with preceptors. It should be noted that the introduction of the Policy was supported in principle by Kent County Council in their feedback to the Council Tax Reduction Scheme Consultation in 2016.

3.6 Below is a breakdown of how many applications and awards were made during the 2022/23 year, this is an increase on the support offered in 2021/22 when 493 households received £246,771 in support:

Financial Support Payments 2022/23	
Applications made	895
Awards made	567
Value of awards	£252,717

4.0 HOUSEHOLD SUPPORT FUND (HSF)

4.1 In October 2021 Government allocated additional funding to Councils to support vulnerable households under a new scheme called the Household Support Fund. This funding was for the purpose of supporting households who would otherwise struggle to buy food or pay essential utility bills or meet other essential living costs or housing costs. Eligible spend included food, energy and water payment support. It also included essentials linked to energy and water such as sanitary products, warm clothing, soap, blankets, boiler service/repair and purchase of equipment including fridges, freezers, ovens, etc.

4.2 Kent County Council received the core funding and allocate elements of funding for their own work, which includes:

- Support for families that receive free school meals during the holidays.
- The administration and allocation of a Kent wide fuel voucher scheme.
- Funding to support KCC services such as the Kent Support and Assistance Service (KSAS) to distribute the funds to households that need essentials.

The remaining funding is allocated to Districts and Boroughs for households that need support with energy and water and essentials and other areas as indicated by KCC guidance.

4.3 For each round of HSF the Council has used intelligence software (through Policy in Practice) to identify vulnerable and at-risk residents to target initial spend. The Council also had an application form that any resident could complete to apply for support.

4.4 The team are then able to respond to this additional work and they combined the support with a holistic approach reaching vulnerable residents that the Council had not managed to reach out to before.

- 4.5 During 2021/22 the Council received initial funding of £171,358.62. Following the positive work that the Council carried out in allocating funds the Council also received an additional £50,000 of funding that was spent to support even more residents in the district. Further administration funds were also given to the Council. A snapshot of the spend from HSF1 (January to March 2022) is detailed below.

HSF 1 (January to March 2022)		
Awards spilt by household composition	Volumes	Spend
Households with children	893	£167,459
Other households	526	£53,900
Other spend		£52,880
Total	1,419	£274,239

Awards spilt by category	Volumes	Spend
Food	977	£105,599
Essentials linked to food and water	421	£103,760
Wider essentials	21	£12,000

- 4.6 The second round of HSF ran from August to September 2022 and the Council received initial funding of £459,669. This scheme had a larger fund but different criteria under national guidance. Therefore, the funding from KCC had to be allocated as listed below:

- £364,150 – To support pensioners with energy bills or equivalent
- £95,519 – To support vulnerable households in accordance with the wider government guidance

To facilitate this the Council aimed to largely pay the pensioner element to qualifying households via payment into resident's bank accounts for this money to then be used to support the payment of increasing fuel prices. This included direct mail shots and telephone calls to identified households.

- 4.7 Food awards were issued in the form on food vouchers that residents could use in their local supermarket of choice. Essential awards were items such as warm clothing and bedding. The Council also continued to support residents with funding new boilers, beds and proving oil and gas to residents living off grid.
- 4.8 The Council also received additional funding of £45,600 from KCC for HSF2 due to underspends in other areas of the spend outside of Folkestone and Hythe. Some of this funding was used to run a carpet project to help fit homes that did not have sufficient flooring, helping with mobility, warmth, and energy costs in those homes. This was delivered to 8 homes that would otherwise not have had this support. As a response to these findings KCC are looking to run a county wide carpet project using our experience to help guide the project.

4.9 The table below shows a breakdown of the volumes and spend during this period.

HSF 2 (August to September 2022)		
Awards spilt by household composition	Volumes	Spend
Households with children	336	£55,275
Households with pensioners	885	£360,925
Other households	310	£39,275
Other spend		£49,794
Total	1,531	£505,269

Awards spilt by category	Volumes	Spend
Energy & Water	850	£321,619
Food	599	£74,650
Essentials linked to food and water	34	£34,400
Wider essentials	30	£14,000
Housing costs	18	£10,806

4.10 Round 3 of HSF covered the period December 2022 to March 2023. For this round the Council received initial funding of £207,246. There was a priority for allocation on food support during the winter months and the Council were also able to offer support through warm clothing.

4.11 Due to the reduction in Discretionary Housing Payment funding elements of HSF3 also supported this scheme by enabling residents to afford their top ups or move to more affordable accommodation.

4.12 The Council also received an additional £43,000 in funding. Elements of this funding was allocated to support households in properties that are too large. These residents wanted to move but arrears on their rent accounts were stopping them from being able to move. By supporting these households, the Council has enabled 30 households to be able to move to appropriately sized homes and free up larger properties for families that need them.

4.13 The table below shows a breakdown of the volumes and spend during this period.

HSF 3 (December 2022 to March 2023)		
Awards spilt by household composition	Volumes	Spend
Households with children	1,005	£103,707
Households with pensioners	146	£13,900
Households with a Disabled person	304	£55,743
Other households	427	£65,448
Other spend		£11,448
Total	1,882	£250,246

Awards spilt by category		
Energy & Water	0	£0
Food	1,320	£142,925
Essentials linked to food and water	0	£0
Wider essentials	294	£18,300
Housing costs	144	£77,573

- 4.14 The Council will continue to offer support through this scheme for 2023/24 and has received an initial allocation of £414,492 for the period April 2023 to March 2024. The table below shows the total support offered through the HSF scheme up to the end of March 2023.

Household Support Fund Total support January 2022 to March 2023		
Awards spilt by household composition	Volumes	Spend
Households with children	2,234	£326,441
Households with pensioners*	1,031	£374,825
Households with a disabled person**	304	£55,743
Other households	1,263	£158,623
TOTAL		£915,632

* Only recorded from HSF2 onwards

** Only recorded from HSF3 onwards

Awards spilt by category	Volumes	Spend
Energy & Water	850	£321,619
Food	2,340	£323,174
Essentials linked to food and water	455	£138,160
Wider essentials	345	£44,300
Housing costs	162	£88,379

- 4.15 The Council also operate as an official referral agent to the KCC fuel scheme, referring every application for HSF for further support through the county wide support scheme.

5.0 HOME ESSENTIAL FUND (HEF)

- 5.1 The Council successfully bid for funding from the UK Shared Prosperity Fund (UKSPF). The welfare team administer the element of this funding that focusses on interventions to reduce the cost of living, including through measure to improve energy efficiency, and combat fuel poverty and climate change.

- 5.2 The objectives of this scheme are to:

- To provide support to vulnerable households recognising the profile and specific needs of residents, in particular those who have been most adversely impacted by rising fuel costs.
- To support households and prevent household needs from escalating into crisis.

- 5.3 This scheme is administered covering several key areas:
- To supply residents with slow cookers and smaller items to reduce energy costs and heated throws to support winter warmth.
 - To support residents with boiler servicing and/or replacement where applicable to ensure energy efficiency is maximised.
 - To support residents with oil heating tune-ups to maximise energy efficiency.
 - To replace broken or inefficient white goods (fridge/freezers, washing machines, microwaves, cookers and other items if appropriate) or to provide items that are not owned to reduce ongoing costs and improved energy efficiency.
 - To supply bed and mattresses to households that require them to reduce overnight heating costs.
- 5.4 Elements of this scheme have been developed following smaller projects and demand through previous rounds of HSF such as the bed project, boiler support and provision of white goods. These areas have also been identified when liaising with residents and partner agencies, demonstrating that the scheme is being delivered in response to resident need.
- 5.5 The scheme is individually funded for each year and will close at the end of March 2025. Much like HSF, there is an application process hosted on the Council's website. The Council also uses its own data to potentially identify eligible residents for support.
- 5.6 The scheme launched in February 2023 and the table below shows the support offered up to the end of March 2023:

Home Essentials Fund February to March 2023			
	Households supported	Items supplied	Value
Slow Cooker/ Heated Throws	112	112	£5,180
Oil tune ups and support	14	14	£3,445
White goods	47	63	£25,789
Beds/mattresses	27	27	£10,149
Total	200	216	£44,563

6.0 OTHER INITIATIVES

- 6.1 The Council have also administered other national schemes on behalf of the Government during the year through the case management team.
- 6.2 From April to September 2022 the Council administered support to 39,722 households through the Energy Rebate Scheme, funded by Central Government. This scheme was for a £150 one-off-payment to be made to a liable Council Tax payer that as of 1 April 2022 was:

- Liable in a chargeable property valued in bands A to D (or band E with a disability band reduction);
- Is their sole or main residence; or
- Is chargeable which receives an exemption under classes N, S, U or W.

35,540 of the recipients received bank payments and the remaining qualifying residents received a credit in their Council Tax account as they were unable or unwilling to provide appropriate payment details in the timeframes given. In total £5,958,300 of support was granted.

- 6.3 The Council also administered an Energy Rebate discretionary scheme which closed at the end of November 2022. This scheme was designed to support households not covered by the main scheme. A single one off payment of £150 was awarded to any identified household that were:
- In Council Tax bands E to H and entitled to Council Tax Reduction as at 1 April 2022,
 - In Council Tax bands F to H and is entitled to a Disability Band Reduction as at 1 April 2022 (band E properties are covered by the standard scheme),
 - In bands E to H and is exempt from Council Tax under Class K, N (students), S (under 18s) and U (severely mentally impaired) as at 1 April 2022,
 - Not liable for Council Tax but responsible for the payment of energy bills as at 1 April 2022. For the sake of clarity, these will be houses in multiple occupation where the owner is liable for Council Tax but tenants are responsible for gas or electricity bills.

The Council were able to support an additional 286 households under this criteria to a value of £42,900. Further awards totaling £246,207 were made as top up payments to 9,487 households in receipt of Council Tax Reduction to ensure that the allocated funding was fully utilised.

- 6.4 The Council also started to administer the 'Energy Rebate Alternative Funding' (EBSS AF) scheme from February 2023. The Energy Bill Support Scheme provides a discount on energy bills of £400 for most households in GB and has largely been delivered through domestic electricity suppliers. For homes that pay their electricity in a different way, and so will not receive support through EBSS, they can apply for the EBSS AF. This is a one off £400 payment to help with energy costs. The scheme went live at the end of February and will run until the end of May 2023. The application process is managed by Central Government while the Council have responsibility to verify addresses and check eligibility of applications and make payments as appropriate. Up to the end of May 2023 the Council had received 241 applications for this scheme.
- 6.5 Government also launched a similar scheme called 'Alternative Fuel Payments' (AFP). This is a support payment for households that use fuels other than gas to heat their homes. Much of the delivery of this scheme will happen via energy suppliers, with eligible households being paid automatically from 6 February 2023 with no action for them to take.

Although automated payments can be made to approximately 90% of eligible households, a small group remains which we are not able to pay automatically. This group will need to apply to receive the Alternative Fuel Payment Alternative Fund (AFP AF) which will operate in the same manner as the EBSS AF scheme as detailed in 6.4 of this report. The scheme is intended to facilitate £200 payment of support, launched on 6 March 2023 and will end on 31 May 2023. Up to the end of May 2023 the Council had received 176 applications for this scheme.

7.0 POLICY IN PRACTICE (PIP)

7.1 The Council has again been working with PIP for the past 12 months on identifying vulnerable residents in the district so that we can tailor our support to their needs.

7.2 Using a Low Income Family Tracker (LIFT) we have combined our datasets with the PIP engine to make better decisions. We have been able to see how individual households are impacted by policy changes, now and in the future. This has enabled the team to use the information to identify the most vulnerable families, target support to them, and track the change. This work has included work around the following areas:

- Tackle problem debt and arrears
- Maximise the income of households
- Evidence return on investment in support
- Avoid unnecessary cost by preventing hardship
- Understand current and future demand for services

7.3 Elements of this work has been to identify households that may not be claiming all the support available to them. This includes Council Tax Reduction.

7.4 Supported by the Customer Service team this has enabled the Council to contact an additional 207 residents during the year which resulted in the Council offering a further £84,262 in Council Tax Reduction to low-income households.

7.5 Members of the welfare team conducted a campaign to promote pension credit and contacted 217 residents during the year which resulted in 47 people going onto Pension Credit, increasing their overall annual income by £112,000.

7.6 PIP was also used to identify possible recipients of HSF3. 2 main groups were identified:

- Those not eligible for cost-of-living help:
 - Households Identified: 274
 - Households Applied: 68 (25%)
 - Amount of HSF: £7,525.00
 - Amount of FSP awarded: £2,867.18.
- In Poverty with 1 Child:
 - Households Identified: 616
 - Households Applied: 270 (44%)

- Amount of HSF: £ 33,700
- Amount of FSP awarded: £528.28.

Therefore, almost a third of the HSF budget went on those that that we identified as needing extra help to a value of £41,225.

8.0 EXTERNAL RELATIONSHIPS

- 8.1 The Council continues to build upon its existing relationships. Revenues and Benefits maintain its quarterly update for the Volunteer Sector in the district where it gives service updates to partners in the district and enables them to offer their feedback into the development of the service. The group also receive updates from the participants.
- 8.2 This group was also utilised for the Council to host a Cost-of-Living Summit in late 2022 where over 40 organisations were invited to witness the 4 four guest speakers and share feedback and thoughts on what could be offered to support residents.
- 8.3 This summit led to the creation of a Cost-of-Living leaflet which is available throughout the district, offering a wide range of support from the Council as well as local and national organisations.
- 8.4 The team have also built strong relationships within the Nepalese community and attend the Folkestone Nepalese Community Centre to offer welfare advice and support. Similarly, the team also attend regular pensioner forums, support with the Roma community and have attended Ukraine events, JobCentre events and the Community Hubs. The team have also built upon its relationships with armed forces veteran groups in the district to ensure that individuals are receiving the necessary support from the Council.

9.0 DEVELOPMENT

- 9.1 In 2022 the Council were finalists for three Institute of Revenues Rating & Valuation (IRRV) annual awards, winning the Benefits and Welfare Team of the Year. The team also received recognition and were found to be 'Highly Commended' in the excellence category for Social Inclusion.
- 9.2 The team have also continued to build upon an ongoing large-scale training and development programme. They are registered money guiders and registered with the Money Advice Liaison Group (MALG). The team have received training in a multitude of support areas such as:
- National Autistic Society training
 - Trans Gender awareness
 - Domestic & Economical Abuse
 - ADHD
 - Self-Harm
 - Phobias
 - Depression
 - Illegal Money lending

- Dementia awareness
- Bereavement
- Bi-Polar
- Addictions

This training is also shared with other departments to widen the remit of welfare. The ongoing programme has enabled the team to provide a more rounded service encompassing not only benefits, Council Tax and housing but wider support and signposting to the residents of the district.

10. RISK MANAGEMENT ISSUES

10.1 There is not a great deal of risk management involved in this issue.

Perceived risk	Seriousness	Likelihood	Preventative action
The team is unable to meet increased demand due to the current financial climate.	Medium	Low	To monitor the volumes of work received and maximize funding opportunities that arise.

11. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

11.1 Legal Officer's Comments (NM)

There are no legal implications arising directly from this report.

11.2 Finance Officer's Comments (ST)

All relevant Financial Information is included within the body of this report.

11.3 Diversities and Equalities Implications (GE)

There are no equality and diversity implications directly arising from this report. The report demonstrates the work the Council's Welfare and Compliance & Development Teams have undertaken over the past 12 months to offer a wider range of additional support to residents.

11.4 Climate Change Implications (OF)

There are no climate change implications arising from this report.

12. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting.

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