



To: Scrutiny Management Team

Date of meeting: 13th September, 2016

Notes of: Committee Administrator

DISABILITY BUDGET CUTS

Background

1. At the Council meeting in March this year, in accordance with the Council's constitution, Councillor Blackburn put a question to the Leader.
2. Councillor Blackburn asked the Leader if he agreed with him that, following the resignation of Iain Duncan Smith over further proposed disability cuts in the Budget, any further cuts to social security that could affect ill and disabled people within Pendle should be suspended.
3. The Leader said he had no powers to tell the Government what to do but he acknowledged the difficulties these cuts would have on disabled people in the Borough.
4. He concluded by suggesting that the Scrutiny Management Team consider undertaking a review to look at the impact these cuts would have on residents in Pendle.
5. The matter was therefore considered at the Scrutiny Management Team meeting in May, where it was agreed that a review on the impact of disability budget cuts on residents in Pendle be added to the Team's work programme.

Housing Benefit and the 'Bedroom Tax'

6. Housing Benefit is a benefit available to help with the payment of all or part of the rent on a property.
7. It is calculated by considering the reasonable rent for a suitable property in the area. This is known as 'eligible rent'.
8. In 2013, the Government implemented significant welfare reforms, meaning that working age customers living in the social rented sector could face a reduction in their eligible rent, if they were under occupying their property.

9. This in turn could lead to a reduction in their Housing Benefit entitlement and potential hardship.
10. These welfare reforms have been commonly referred to as the 'Bedroom Tax'.
11. The situation in Pendle at the introduction of the 'Bedroom Tax' was as follows (the figures exclude pensioners and other households that are exempt from the bedroom tax) –

The number of households in all social and affordable housing that were in receipt of Housing Benefit and were covered by the terms of the bedroom tax that were under-occupying (or believed to be under-occupying) their properties by:	
One bedroom	461
Two bedrooms	93
Three or more bedrooms	31
The total number of households deemed to be under-occupying under the terms of the bedroom tax, and covered by the terms of the bedroom tax, that were deemed to require a one-bedroom property under the criteria applicable to the bedroom tax:	
	585

Discretionary Housing Payments

12. Under the Discretionary Financial Assistance Regulations 2001, the Council has discretion to provide payments to residents who require assistance with some of their rent.
13. These are called Discretionary Housing Payments (DHP) and are intended to provide short term assistance (i.e. 3 to 6 months) where the Council is satisfied that the customer needs financial assistance.
14. Due to the significance of the changes in 2013, the Government has provided local authorities with additional funding for DHPs.
15. It is aimed specifically at the following two groups, where moving to a smaller property may be inappropriate, or they are unlikely to meet the shortfall -
 - Disabled people living in significantly adapted accommodation – including any adaptations made for disabled children;
 - Foster carers – whose housing benefit is reduced due to a bedroom being used or kept free for foster children.
16. The table below details Pendle's DHP Government contribution and total spend from 2010/11 –

Year	Government Contribution (£)	Total DHP Spend (£)	Number of awards	Amount (£) and percentage unspent
2010/11	19,438.00	14,129.00	70	5,309.00 27%

2011/12	25,350.00	20,789.00	96	4,561.00	18%
2012/13	58,963.00	27,692.00	165	31,271.00	53%
2013/14	142,591.00	84,154.00	342	58,437.00	41%
2014/15	131,966.00	100,916.00	484	31,050.00	24%
2015/16	104,556.00	103,106.00	470	1,450.00	1%
2016/17	112,379.00				

17. As can be seen, the Government contribution increased significantly in 2013/14 when the changes came into effect.

18. Details on the number of applications for DHPs in Pendle since the introduction of the 'Bedroom Tax', together with the number and percentage of awards and refusals are as follows –

Year	Requests	Awards		Refusals	
2013/14	607	342	(56%)	265	(44%)
2014/15	656	484	(74%)	172	(26%)
2015/16	562	470	(84%)	92	(16%)

19. A list of criteria is used to assess each case and all applications are treated on their own merit.

20. The information above shows that, at the end of each year there has been an underspend of DHP.

21. It is a Government requirement that the unspent funds be returned and this results in a reduced award the following year.

22. Work has been carried out to promote DHPs with Housing Pendle and Registered Social Landlords and when dealing with debtors for council tax arrears.

23. Despite this, take up has been low at times.

24. The increase to the award in 2016/17 is in preparation for a further Benefit cap which is to be introduced in November this year.

25. The further cap is not specifically relating to disability benefits but is to be introduced as follows –

Status	Current cap		Cap from Autumn 2016	
	Per week	Per year	Per week	Per year
In a couple, whether your children live with you or not	£500	£26,000	£384.62	£20,000
Single and your children live with you	£500	£26,000	£384.62	£20,000

Single and don't have children or your children don't live with you	£350	£18,200	£257.69	£13,400
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Disability Living Allowance and Personal Independence Payments

26. Disability Living Allowance (DLA) is a tax-free benefit for disabled people who need help with mobility or care costs.
27. In 2015 the Department for Works and Pensions (DWP) announced that DLA was ending for people who were born after 8 April 1948 and were 16 or over.
28. For those already claiming, DLA will continue to be paid until the DWP writes to tell them when the benefit will end.
29. At this stage they will be invited to apply for a new benefit called Personal Independence Payment (PIP).
30. PIP has been introduced to help with some of the extra costs caused by long-term ill health or a disability and is assessed on different criteria to DLA.
31. The information provided at Appendix A shows the main differences between the two benefits.
32. In order to assess the impact of the changes on Pendle residents, further statistical information has been sought.
33. A request has been made for details on the number of people currently on DLA; the number that have transferred to PIP; and the number that have started the transfer process to PIP that have been declined.
34. At the time of writing this report, the information is not available, but will be reported to the Team once received.

APPENDICES

Appendix A - Disability Living Allowance and Personal Independence Payment – the main differences

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References: www.gov.uk