


Welfare Reform and Localised Council Tax Support.
'The story so far and future...'

September 2011
Service Improvement Team
Benefits Service

Corporate Services
Integrated Customer Services – Revenues and Benefits

Slide 1




Reason for change?

- To extend a ladder of opportunity to those who those who have previously been excluded or marginalised from the world of work.
- To ensure that people will be consistently and transparently better off for each hour they work and every pound they earn.
- To cut through the complexity of the existing benefit system to make it easier for people to get the help they need, when they need it.
- To ensure that work always pays and is seen to pay.
- To streamline the system to reduce administration costs and minimise opportunities for error or fraud.

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Summary of provisions

- Introduce Universal Credit for all 'working age' customers.
- Replace Disability Living Allowance with Personal Independence Payments.
- Introduce a Benefit Cap based on estimated average earnings.
- Many changes to individual benefits, e.g ESA, new form of Pension Credits, Statutory Payments.
- New Benefit Fraud Team and provisions.
- Council Tax Benefit to be abolished, replaced by new local scheme.

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Reform to date - HB

April 2011

- Local Housing Allowance (LHA) rate to be set at 30% percentile as opposed median of rent levels for each property in each Broad Rented Market Area. (6929)
- Removal of £15 LHA excess. (2893)
- Introduction of 4 bedroom LHA upper limit. (41)
- LHA rates capped at £250, £290, £340 and £400 per week for 1, 2, 3, and 4 bed rates accordingly.
- Amend size criteria to include a live-in carer. (64)
- Discretionary Housing Payment (DHP) grant increased by £10 million.
- Non Dependant deductions will start to be increased to uprated 2001 rates. (2073)
- Increased ability to pay landlords direct.

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Reform to date - Other

April 2011

- Tax Credits – removal of baby element, maximum income cap over £40,000, reducing child care element, freezing certain elements.
- Pension Credit – freezing savings credits awards.

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Reform up to April 2013

Housing Benefit

Jan 2012

- Increase in shared accommodation rate from 25 to 35 (690).

April 2012

- Discretionary Housing Payment (DHP) grant increased by £40 million.

Other

Oct 2011

- Income Support restricted to those with child under 5.

April 2012

- Tax Credits; end of 50+ element, increase hours eligibility for couples
- ESA (contribution) time limited to one year.

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Reform after April 2013 - HB April 2013

- LHA rates increased by Consumer Price Index and not local rental values.
- Size criteria rules for working age socially rented sector housing.
- Beginning of Universal Credit scheme (including HB and Tax Credits, Income Support, Job Seekers Allowance (ib) and Employment and Support Allowance (ir)).
- A new Fraud Investigations Service will start to cover all aspects of benefit fraud (including HB/CTB).



Reform after April 2013 – Other April 2013

- Overall benefits cap of £500 per week (excluding some benefits).
- Child Benefit end for those earning above £44,000.
- Introduction of new medical assessments for DLA.
- End of Council Tax Benefit – to be replaced by localised rebate scheme, plus 10% less funding.

April 2014

- Tax Credits – Real time PAYE information.



Impacts of Welfare Reform

- Customers - how and where they apply for benefit and levels of entitlement.
- Technology - new systems with tight timescales.
- Councils finance - reductions in grant, changes to finance administration.
- BCC departments – e.g. Housing Rents, Private Rented Team, Strategy and Commissioning
- ICS – role to support customer contact unclear
- Revenues and Benefits - how we operate, service design, structures and resources - management commitment to update all staff as work progresses and more detail emerges.
- First key change not until Oct 2013 – continue to operate business as usual.



Welfare Reform Project

- Welfare Reform Project established. J Whiteman lead for ICS, supported by Matt Kendall.
- Key current activities:-
 - Consultation papers to consider and reply to
 - Developing action plan to implement LHA changes Jan 2012
 - Planning detailed work programme for work streams
 - Raising awareness of Welfare Reform across ICS and BCC
 - Communications strategy to follow.
 - Benefits, Housing Solutions and Private Rented Team meeting monthly.
 - Attending stakeholder events – landlord expos/forums, advice agencies/worker events, BCC staff, claimant groups, etc.
 - Transitional funding applied for and received.



Any Questions?