

## Background

- A Government change no choice royal assent 8.3.12 now law.
- Affects those predominately of working age (ie up to pension credit age – roughly 62yrs)
- Government aim to get people back into work and change culture of dependency.
- Work and pensions budget largest, more than entire NHS and twice that of education. (18 billion savings by 2015)

# Background (cont.)

- Simplify the benefits system
- Make work pay better incentives
- Streamline in / out of work benefits
- Develop 'claimant commitment'
- Increase conditionality and sanctions
- Aimed at 'working age' claimants
- Better use of technology to reduce error

### **Overview - Main Changes**

- Council Tax
- Benefit Capping
- Social Sector Size Criteria 'Bedroom Tax'
- Discretionary Housing Payments
- Welfare Assistance
- Universal Credit
- Position in Leicester
- What are we doing?

### Council Tax Reduction Scheme April 2013

- Replaces Council Tax Benefit from April 2013
- Each LA to achieve 10% savings on current spend
- Fixed budget for 2 Years
- Local Scheme agreed by Exec January 2013
- LCC prioritises where support goes
- Pensioners to be protected
- Working Age customers most affected
- All affected will have some Council Tax to
- pay about £ 200 per year for most

#### Benefit Capping (Summer-September 2013)

- Income limited to £ 500 per week for families
- $\circ$  £ 350 per week for singles
- Working Age claimants only
- Exemptions for: WTC; DLA; PIP; ESA (support element); industrial injuries; attendance allowance; war widows/widowers
- Lose between 50p-£50 (53%)
- Lose above £50 50p HB awarded (passported benefit)
- Only affects Housing related benefits (at present)

### Under-occupation (SSSC) 'Bedroom Tax' (April 2013)

- 1 bedroom surplus to needs lose 14% HB (about £12 per week)
- 2+ bedrooms surplus lose 25% HB (about £22 per week)
- Working Age tenants only
- Exemptions for: mooring charges; mobile homes/caravan sites; some temporary accommodation.
- 39 weeks 'grace,' if worked >12 months then lose job through no fault of their own.

### Example of what it will cost tenants who under occupy

Weekly Rent	1 Spare Bedroom	2 + spare bedrooms
£65	£9.20	£16.25
£70	£9.80	£17.50
£75	£10.50	£18.75
£80	£11.20	£20.00
£85	£11.90	£21.25
£90	£12.60	£22.50
£100	£13.30	£23.75
£110	£15.40	£27.50
£120	£16.80	£30.00

### 'Bedroom Tax'

14% less for 1 bed (about £12 per week) 25% less for 2 bed plus (About £22 per week)

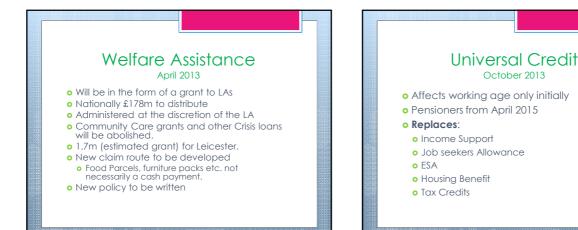
o Based on LHA - One bedroom each allowed for:

• Claimant (& partner)

- Any 2 children <10 years regardless of gender</li>
  Any 2 children of same sex <16 years</li>
- Any child >16 years
- Any other child
- (accept foster children who are NOT considered) • Non-dependants
- A carer (or group of carers) providing over night support.

#### **Discretionary Housing Payments** (Additional Housing Benefit) • Increased allocation across the country

- Leicester's policy aims to support families and disabled to remain in their homes while they seek alternative cheaper accommodationCannot support everyone affected by the Welfare
- reform changes eg.. Shared Acc Rate would cost £41K a week
- Benefit capping would cost £72K a week
   Reviewing DHP Policy.
- Foster Carers provision between placements
- Use it or lose it fund.



### Universal Credit continued...

- No front facing service
- On line claims
- Telephony based support
- Direct monthly payments in arrears

#### Universal Credit & HB

- Majority of HB payments will go to the claimant and not the landlord
  Only 20% of payments in the social sector housing claimants will be paid direct to landlord through the 'default exception scheme'
- One single monthly payment in arrears.
- Households could get £2000+ to cover, food, living expenses, rent, child care etc.
- Third party payment will be catered for ( Power of Attorney etc.)
- To evaluate the effect there are 6 pilot sites around the country trialling direct payments

## Universal Credit Timetable

- Main UC regulations still to be published.
- April 2013 Pathfinder area used to test UC.
- October 2013 and April 2014 New Claims and Change of circumstances. If applying for - jobseekers allowance, employment support allowance, housing benefit, working tax credit or child tax credit.
- April 2014 You may be moved onto UC if it is considered that you
  will benefit from this e.g. if you are on working tax credit and work
  a small number of hours a week but could work more hours with
  support from UC.
- The end of 2015 the end of 2017 If you have not been moved onto UC already you will be moved during this time.

## Position in Leicester

#### • Approximately:

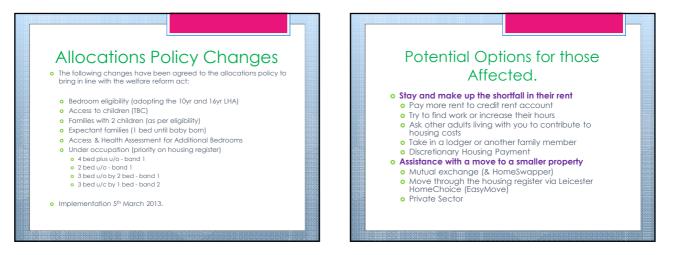
- 68% of LCC tenants in receipt of benefits
- 39% of LCC tenants in receipt of full HB
- 9478 LCC tenants will be affected in some way.
- 2718 LCC tenants will have less of both council tax benefit and HB
- 7482 RSL tenants in receipt of benefits
- 6422 RSL tenants in receipt of full HB

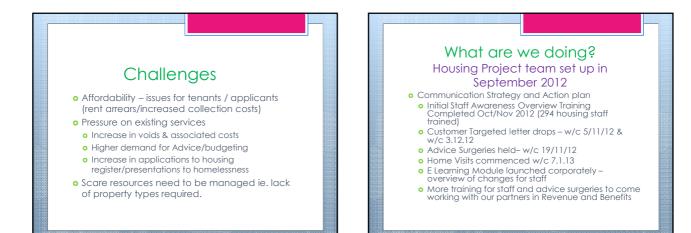




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WARDS	1	2	3	4	5	Grand Total	
Abbey	187	37				224	
Aylestone	43	10				53	
Beaumont Leys	150	45	1	1		197	
Belgrave	10	3				13	
Braunstone Park & Rowley Fields	244	128				376	
Coste	9	3				12	
Chamwood	119	53	1			173	
Coleman	67	13				80	
Evington	17	11	2			30	
Evres Monsell	188	42				230	
Fosse	15	4				19	
Freemen	180	71	1	1	1	254	
Humberstone & Hamilton	83	13				96	
Knighton	1	1				2	
Latimer	24	6				30	
New Parks	352	112	4			468	
Rushey Mead	7	3				10	
Spinney Hills	1.49	18	1			168	
Stoneygate	22	7				29	
Thurncourt	64	18				82	
Westcoles	16	1				17	
Western Park	3	1				4	
Grand Total	1950	600	14	2	1	2567	

Comparis	on of those L	CC Under		
Occupied	V those Ov	ercrowded		
No. Rooms Excess	& Under Occupying (Jan 2013)	Overcrowded (October 2012		
Bedroom Shortfall	Data)	Data)		
1	2124	2046		
	654	700		
	20	163		
	4	66		
	1	8		
	•	1		
	2803	2984		





# What are we doing?

- Data collection and Mapping Completed
  Work with our partners ie. RSLs.
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  Work with financial institutions such as credit unions development of Credit Union Budgeting Accounts (CUBAs)
  Identify policies and procedures that need reviewing.
  Allocations Policy
  Property re-classification
  Rent Arrears
  Recharge Policy application
  Mutual Exchanges
  EasyMove
  RSLs carrying out their own impact analysis and customer contact.

HELP!	
• Welfare Rights Service 256 8211	
<ul> <li>Community Legal Advice Centre 242 7620</li> </ul>	
<ul> <li>Revenues &amp; Benefits</li> <li>252 7006</li> </ul>	
<ul> <li>Income Mgt. Team</li> <li>252 7007</li> </ul>	
<ul> <li>Mosaic (disabled people)</li> <li>231 8720</li> </ul>	
<ul> <li>SAFFA (ex-Forces &amp; Families)</li> <li>261 6590</li> </ul>	
<ul> <li>Age UK (over 50's)</li> <li>299 2233</li> </ul>	
<ul> <li>Highfields Community Centre 253 1053</li> </ul>	
<ul> <li>Community Advice &amp; Law Service 242 1120</li> </ul>	
<ul> <li>Race Equality Centre (Refugees/Asylum) 299 9807</li> </ul>	
<ul> <li>Shelter Housing Aid &amp; Research</li> <li>254 6064</li> </ul>	
<ul> <li>Housing Options</li> <li>252 7008</li> </ul>	



- This is a Government change of policy which is now law.
- Act now do not ignore what this may mean to you.
- Talk to your landlord.

Questions and Answers

Thank You