

Welfare Benefit Reform..

David Airey IRRV (Hons)

.....a real feeling of déjà vu

- A look at some of the major changes we can expect over the next few years
- Change programme is ambitious!
- So many ideas....so little time....
- New ideas or just a return to the 80's?



The List so far.....

- Abolition of Council Tax Benefit
- Localised Support for Council Tax
- Universal Credit
- Social sector housing under-occupation
- Housing Benefit: CPI uprating of Local Housing Allowance
- Single Fraud Investigation Service
-but there are many more..

Rent Schemes

- LHA & CPI from April 2013
- End of Anniversary dates
- Maintenance of Rent databases
- Other rent schemes
- January 2012 changes to under 35
 - 1st Jan 2012 new claims
 - End of transition or anniversary date after Jan 2012 - existing

Exemptions – two new ones.....

- Homeless claimant (“C”) if—
- (a) C has, for a total of at least 3 months (whether or not continuously), occupied as his home one or more hostels for homeless people; and
- (b) whilst occupying such a hostel, C has been offered and has accepted support services with a view to assisting him to be rehabilitated or resettled within the community
- Offender applies—
- (a) in England and Wales, to a claimant (“C”) if C is the subject of active multi-agency management pursuant to arrangements established by a responsible authority under section 325(2) of the Criminal Justice Act 2003 (arrangements for assessing etc. risks posed by certain offenders) or
- **is considered by the relevant authority to be a person who may cause serious harm to the public at large;**

CTB is dead...long liveLocalising Support for Council Tax

- Consultation Document issued August 2011
- Principles of the scheme;
- Local authorities to have a duty to run a scheme to provide support for council tax in their area.
 - For **pensioners** there should be **no change** in the current level of awards, as a result of this reform.
 - Local authorities should also consider ensuring support for other **vulnerable** groups.
 - Local schemes should support work incentives, and in particular avoid disincentives to move into work – must fit in with Universal Credit

Localisation – Effect on Pensioners

- Key questions
 - What is meant by Pensioners? ...SRP or PCA
 - What level of pensioners do you have within your claim base
 - HB/CTB or CTB only
 - What level of support currently provided;
 - GC & GC+SC
 - SC only
 - Non PC cases
 - How much £ does the support relate to?



Localising Support for Council Tax

- **The effects of Universal Credit**
- The Government is clear that it is essential that any local scheme aligns with Universal Credit and reflects the key principles for incentivising people to work:
 - People should get more overall income in work than out of work.
 - People should generally get more overall income from working more and earning more.
 - People should be confident that support will be provided whether they are in or out of work that it will be timely and correct, and that claiming will not be a complicated and frustrating experience
- What does this mean?

Localisation – effects of Universal Credit

- Clear now that CG will not put CTR in UC but;
- Local Scheme must not negate the overall concepts of UC i.e.
 - Alignment
 - Taper
 - Approach to claiming – easy as possible (passport?)
- Broad agreement with CG (?)

Other Vulnerable Groups

- Other 'passport benefits' – may not be able to fund all for working age
- Child Poverty – CG keen that we maintain a high level of benefit for this group
- Other groups?
- Requirement to be clear as to what level of support can be given

Financial Burden

- Payments to be reduced by 10%
- No incentive to spend more – LA will keep all monies saved – un-ringfenced
- Subsidy effects – CG state that it will a simpler scheme (!)
- Initially more complex
- Design of scheme and administration process will be critical
- Sharing financial risks with precepting authorities
- Need to establish overall ability to spend now
- Financial control will be essential – what will be needed?

The financial effect on claimants

Pension Age	Working Age
<p>Support will be specified by CG</p> <p>Broadly similar to current values</p> <p>Same levels of benefit paid</p>	<p>Vulnerable Groups;</p> <ul style="list-style-type: none">•Special protection – higher level scheme
	<p>Rest – bearing full brunt of the reduction;</p> <p>Discounts?</p> <p>What level of funding;</p> <p>Average reduction of 20+%</p>

Localising Support for Council Tax

- **Consultation**
 - The local authority will need to submit the proposed scheme to some form of public scrutiny or challenge, including making the data underpinning the scheme publicly available. **This could include formal public consultation as well as sign-off by elected members.**
 - The local authority will also need to ensure other authorities, including precepting authorities, have an appropriate role in this process.

Localising Support for Council Tax

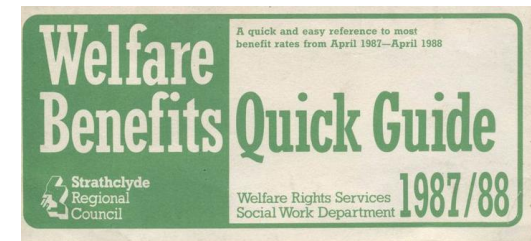
- Other issues for consideration
 - Alignment with other schemes (HB)
 - Will you align both scheme or run as two separate schemes?
 - IT systems – will need to be changed
 - Claiming arrangements
 - You decide.....Levels of verification
 - Definitions of Income and capital – you decide
 - Documentation
 - Notifications
 - Must keep it simple to keep costs down
 - Organisation?
 - Data sharing with DWP – what would be needed
 - Appeals – maybe go to VT(?)
 - The end of Benefit Take Up?

Timescales (or maybe a work of fiction?)

- **Autumn/winter 2011-12**
 - Government publishes a response to the consultation.
 - Introduction of Local Government Finance Bill (included provisions for localisation of council tax support).
 - Central and local government begin working on model schemes.
- **Spring 2012**
 - Primary legislation in passage through Parliament. • Government preparing and publishing draft secondary legislation.
- **Summer 2012**
 - Primary legislation passed. • Secondary legislation prepared. • Local authorities designing and consulting on local schemes.
- **Autumn/winter 2012-13**
 - Local authorities establishing local schemes – putting place systems, notifying claimants of changes. • Local authorities setting budgets.
- **Spring 2013**
 - Local schemes in operation.

Universal Credit or Sup Ben Lite

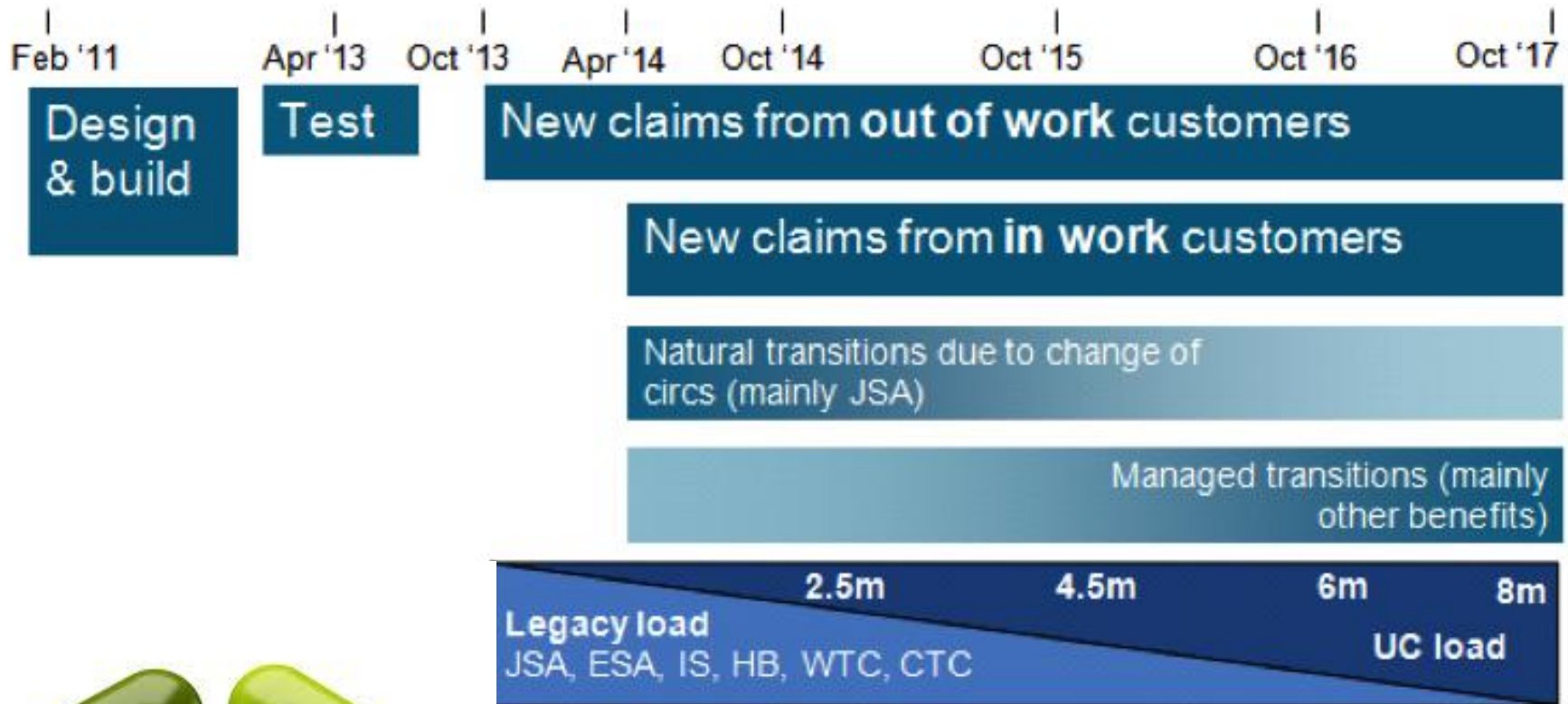
- White paper published 11/11/2010
- Working age claimants only
- UC will replace Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Housing Benefit, Child Tax Credit and Working Tax Credit.
- UC will not replace
 - Contributory Jobseeker's Allowance and contributory Employment and Support Allowance.
 - Disability Living Allowance
 - Child Benefit, which will be available in addition to Universal Credit payments for children; and
 - Bereavement benefits, Statutory Sick Pay, Statutory Maternity Pay, Maternity Allowance and Industrial Injuries Disablement Benefit are not suitable for replacement by the Universal Credit
- ...not really universal....not really a credit....



Feeling queasy?

- Claims will be made on the basis of households rather than individuals and both members of a couple will be required to claim UC.
- Claims for UC will normally be made through the internet and DWP expect that most subsequent contact between recipients and the delivery agency will also be conducted online.
- Earnings data to be supplied by all employers to HRMC monthly....to be given to UC....Real Time Systems
- Payment
 - Confirmed direct to claimant
 - Confirmed that payment periods Calendar Monthly
- Delivery mechanism to be decided fully from 2015.....a little light?

Universal Credit – still on original timetable



Social Sector - Limitation

- **April 2013**, HB for **working age** social rented sector customers will be restricted for those who are occupying a larger property than their household size and structure would warrant.
- The size criteria
 - child aged 15 or under would be expected to share with one other child of the same gender; and
 - child age 9 or under would be expected to share with one other child aged 9 or under, regardless of gender.
- Standard Deduction for under-occupation 1 bed / 2 bed
- Need for action now

Single Fraud Investigation Service

- **Option 1** - LA staff remain employed by LAs, but operate under SFIS powers, policies, processes & priorities -**People Impact** – terms and conditions, locations and skills sets remain static but only until the organisation of Universal Credit is decided in 2015.
- **Option 2** - LA staff remain in LA estate employed by LA and are formally seconded to SFIS - **Viability** – secondment arrangements may be difficult to implement and sustain over long periods
- **Option 3** LA staff become DWP employees but deliver investigation locally from the LA estate - **Viability** – the HR work required to transfer LA staff to DWP is challenging and may not be achievable by 2013
- Option 4 - LA staff become part of the DWP working within DWP estate as employees
- **Viability** – option 4 is unlikely to meet delivery of SFIS by 2013, owing to the HR and estates work required

Localisation of Community Care Grants & Crisis loans

- Local support to replace Community Care Grants and Crisis Loans for living expenses - A call for evidence
- Individual local authorities will be given the funding and flexibility to re-design the emergency provision for vulnerable groups according to local circumstances, in order to meet severe hardship in the way they think best.
- DWP would be interested on your views on how local authorities may use, and build on, existing networks....watch for their figures 2005?

So really to sum up....

- Probably the most challenging time for Revenues & Benefits in the last twenty years
- Need for good management
- Need for more resource not less(!)
- What more can we say.....

He who dares Rodney, he who dares.....

