

**Waltham Forest Council**

# Welfare Reform & Localised Council Tax Support

Date September 2012

# Areas to be covered

## Changes in 2013

1. Total Benefit Cap (working age)
2. Bedroom Tax – Social Sector tenants only (working age)
3. Localised Social Fund
4. Localised Council Tax Support
5. Universal Credit

# Total Benefit Cap

- Couples and lone parents £500
- Single people £350
- Commence April 2013
- LBWF around 1,300 identified as possibly impacted
- Letters sent to them by DWP
- Letters sent to them by LBWF also
- Spread is roughly 50/50 between private sector and social sector

# Total Benefit Cap exemptions

All households which include someone receiving:

- Disability Living Allowance
  - Industrial Injuries Disablement Benefit
  - Personal Independence Payment
  - The support component of ESA
  - Attendance Allowance
  - War Widows or War Widower's pension
  - Households receiving Working Tax Credit
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- Grace period of 39 weeks for households with someone employed for previous 12 months

# Total Benefit Cap

## Potential impact in WF

Impact (Per Week)	All Tenures	Private Rented	Social Rented	Not Known
£0 – 10	117	57	57	3
£10 – 50	293	128	159	6
£50 – 100	310	151	154	5
£100 -150	187	91	91	5
£150 – 200	101	52	47	1
£200 – 300	92	48	44	0
£300 – 400	21	10	9	2
£400 – 500	7	3	3	0
£500 – 650	8	3	3	2
<b>TOTAL</b>	<b>1135</b>	<b>543</b>	<b>567</b>	<b>25</b>

# Size Criteria – Bedroom Tax

April 2013- affects Social Sector

Housing Benefit claimants in Social Sector housing will have their benefit reduced if they are under occupying:

1 Bedroom	14% reduction
2 or more bedrooms	25% reduction

# Localised Social fund

- Currently administered by DWP
- Purpose of the social fund is to help people:
  - Obtain basic household good & furniture, or
  - Meet a short-term crisis (e.g. food/bills)
- Transferring to local authorities from 1 April 2013
- We will develop our own scheme to deliver support locally

# Background

- Council Tax Benefit (CTB) helps low income households pay their council Tax
- It is a national means tested benefit delivered by local authorities on behalf of central government.
- Not cash limited - increases in expenditure is fully funded by government.



# Background 2

- 5.9 million households receive CTB – more than any other means tested benefit and tax credit
- Average CTB award £15.69 per week
- National annual cost of CTB is £4.9 billion

# Localised Council Tax Support scheme

## Spending Review 2010 – announcement:

- Support for Council Tax (for working age) to be localised from 2013/14 ( 1<sup>st</sup> April)
- Funding of scheme to be reduced by 10%
- Part of a wider Welfare Reform and localisation agenda
- Loss for WF estimated at £3m – affects 19,354 claimants

# Principles used for draft scheme

Principle 1: Every working age adult should pay something.

Principle 2: The scheme should incentivise work

Principle 3: Every adult of working age in the household should contribute

Principle 4: Support should not be given to those with relatively large amounts of capital or savings

Principle 5: Some income that is currently not counted for Council Tax Benefit, should be counted in the new scheme

Principle 6: A Discretionary Fund should be created to help protect the most vulnerable

# Proposed Options for consultation

Option 1 Draft Scheme	Option 2 An alternative model
<b>Savings £3 m</b>	<b>Savings £3.6m</b>
<p>Use the existing Council Tax Benefit scheme but reduce the maximum level of support available to 85% of someone's eligible Council Tax.</p> <p>This scheme shares the burden of funding cuts amongst all working age people in receipt of support.</p>	<p>Continue the existing Council Tax benefit scheme but make changes to up to 4 elements of that scheme to achieve the required savings:</p> <ul style="list-style-type: none"> <li>• Reduce the maximum level of support available to 90% of someone's eligible Council Tax.</li> <li>• Include Child Benefit as income in the assessment of Council Tax Support.</li> <li>• Reduce the savings limit for getting support from £16,000 to £6,000.</li> <li>• Remove 2<sup>nd</sup> Adult Rebate.</li> </ul>

**Consultation - have your say...**

**Important  
changes to  
Council Tax  
Benefit**

# Consultation

- Consultation (online) live from 30 July to 30 September  
[www.walthamforest.gov.uk/localcounciltaxsupport](http://www.walthamforest.gov.uk/localcounciltaxsupport)
- Approximately 550 responses received so far
- Booklets available from libraries, the Customer Service Centre, Cedar Wood House, Housing Associations officers and Advice providers, CAB & Children's Centres.
- Final scheme will be decided by full council December 2012.

# Universal Credit

## October 2013 onwards

UC will replace Housing Benefit, Income Support, Income-based Job Seekers Allowance, Income –based Employment & Support Allowance, Working Tax Credit and Child Tax Credit.

Working Age claimants will receive a single payment from the DWP, to cover:

- Personal allowance
- Amount for children
- Amount for housing costs
- Plus any other specific needs

# Universal Credit 2

## October 2013 onwards

Pensioner claims will be assessed and paid by the Pension, Disability & Carers Service (PDCS) – From 2014

UC will have a phased introduction, starting with new claims.

Existing claimants will continue to get Housing Benefit for a while from local authorities. Then will be transferred to the DWP in phases between 2014 – 2017



# Any Questions

