

Council Meeting: 11th April 2013

Councillor K Foreman will ask the **Executive Member for Housing and Welfare** the following question:-

BENEFIT CHANGES

I would like to ask Councillor Ellacott to update us on the recent benefit changes and their impact on the residents of the Borough.

OBSERVATIONS

Several changes have come into force from April 2013 as part of welfare reform. Local Council Tax Support and restrictions to Housing Benefit for working age claimants living in the social rented sector in under occupied properties were implemented by the Council. The Benefits service is currently reviewing it's service delivery, under the Customer Services Framework, with the intention of providing a better service to residents at more relevant location in the borough, and working with a wider range of local partners.

Local Council Tax Support –

- This affected 2,722 working age households in the borough. Of these, 996 households are working and 1,726 are not in employment that may face Council Tax bills for the first time.
- The average increase in Council Tax for those households who work, and previously received Council Tax Benefit, has been £31.29 per annum.
- The average increase in Council Tax for households where the liable parties are not working is £126.71 per annum.
- Households who were receiving Council Tax Benefit but are not affected by reductions under the new scheme include 2,789 pensioners and 1,082 vulnerable people (disabled or provide care).
- The Council agreed to set aside £20,000 in a discretionary fund to reduce Council Tax further in cases of hardship. Surrey County Council may provide additional funding to the Council for this purpose.

- The feedback from officers taking calls from residents claiming Council Tax Support has been positive, with many people agreeing to set up direct debits and/or spreading their instalments over 12 months.
- Council officers are looking into alternative ways that residents receiving benefits can pay their Council Tax (e.g. payment cards). Close monitoring of collection rates receiving Council Tax Support is taking place.

Under Occupation in the Social Sector

- The reductions in Housing Benefit affected working age claimants only, and initially 454 households were identified in the borough. The average reduction is around £18 per week, compared to £14 nationally.
- All residents affected were contacted by the Council in advance, and the Council has been working with local housing providers to assist tenants understand the effects of the changes.
- The Department for Work and Pensions increased Discretionary Housing Payments funding to the Council by around £29,000 for 2013/14 in respect of this change. There has been a significant increase in number of applications from residents affected.
- Discretionary Housing Payments tend to be paid for short periods of time to allow claimants time to resolve financial issues, obtain debt advice or to seek affordable accommodation.
- Housing providers, including Raven Housing Trust, are working closely with tenants to register for exchanges and transfers to smaller properties.

Other Changes

- The Benefits Cap will be brought in from July 2013 in the borough, and is expected to affect up to 78 households. Of these around 20 could face reductions in their benefits of over £100 per week. The Council worked closely with affected residents in 2012 to encourage them into work and claim the right disability benefits, and intends to resume this work from April.

- Personal Independence Payments replace new claims for Disability Living Allowance for borough residents from June 2013. Existing claims will not be transferred until 2015. The Council is working with the Department for Work and Pensions in communicating the changes to residents.
- Universal Credit for some new claims is due to start in October 2013. The DWP are liaising with local authorities to understand the supporting role that will be required to assist residents.