

Title:	Welfare Reform
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Purpose/Key Messages:	To inform BHSP of the welfare reform changes and their impacts in Brighton & Hove
Significance to BHSP and Delivering SCS outcomes:	The welfare reform changes will have a significant impact on Brighton & Hove residents and the work of a number of Brighton & Hove thematic partnerships
What is BHSP being asked to do?	To note the report and to ensure that relevant organisations take account of and act upon the changes as required
Next steps and report back mechanism:	The welfare reforms will extend over the next 24 months; regular reports will be brought to BHSP for information and comment

1. Summary and policy context:

- 1.1 This report provides an update on the changes and impact of the government's welfare reforms in Brighton & Hove. It follows on from the wider welfare reform report presented to the Brighton & Hove Strategic Partnership in June 2012 and the Council Tax Low Income Discount Scheme discussed in September 2012.

2. Recommendations

- 2.1 That BHSP note the report and to ensure that relevant organisations take account of and act upon the changes as required.

3. Localisation of council tax benefit

- 3.1 A report will be presented to Brighton & Hove City Council's Policy & Resources Committee on 29th November 2012 seeking approval for the city's council tax low income discount scheme 2013.

- 3.2 The council has taken into account a wide range of policy and financial issues in the design of the new system. The change is one of a number being made to welfare provision over a period of eight years. As such, there are important links to wider welfare reforms at a national level and existing policies and strategies within the city such as the Child Poverty Strategy, Housing Strategy, work on financial advice and financial and digital inclusion.
- 3.3 Due to the significant impact this new scheme may have, the council has consulted and engaged thoroughly. The council consulted with the major precepting authorities (East Sussex fire and Rescue Services and Sussex Police) and formal public consultation started on 16th July 2012, running through to 12th October 2012. The council also contacted every household in receipt of council tax benefit who may be affected by the changes.
- 3.4 In light of the consultation responses, no changes to the main elements of the draft scheme have been proposed. However, on 16th October 2012, the government announced that a new transitional grant would be made available to authorities whose schemes satisfied certain criteria. The report to the Policy & Resources Committee recommends making the required amendments to take advantage of the transitional grant.
- 3.5 The scheme being recommended for approval is:
- Council tax support for people of pensionable age will be provided in accordance with the government's regulations through a means-tested discount equivalent to their entitlement entitled to under the previous council tax benefit system¹
 - Council tax support for people of working age will be provided through a means-tested discount and in 2013/14 will take into account similar criteria to the previous council tax benefits scheme in deciding who is eligible
 - The council tax discount for people of working age will be determined on the basis of 91.5% of full council tax liability²
 - The earnings disregard for single, working-age people will be doubled from £5 to £10 per week

¹ Assuming no other change in circumstances

² The consultation proposal set this figure at 90%. This change will mean the scheme can take advantage of the transitional funding announced in October as the reduction in support citizens will face will be smaller without adverse impact on council tax payers as a whole

- There will be a cap on the maximum detriment that any household faces of £3 per week from 2012/13 to 2013/14 as a result of the replacement of council tax benefit with the council's scheme³
- Up to £100,000 per annum will be made available in a discretionary fund to provide additional assistance in exceptional circumstances to the most vulnerable

This means most households of working age will pay something towards their council tax and there will be extra help for the most vulnerable in exceptional circumstances.

- 3.6 The council will engage as soon as it practically can with everyone who is directly impacted by these changes once the council has made its decision. A letter will be written detailing the changes to the individuals affected and the most appropriate forms of communications will be utilised to distribute the information generally. The council will also provide detailed information on the changes to the advice and voluntary sector in the city.
- 3.7 The council will monitor the impact of the changes in the first year of operation including the number of cases which fall into arrears, the number of applications for discretionary funds, the amount of referrals made to advice agencies and impact on demand of public services within the Revenues & Benefits team who will be administering the service.
- 3.8 If the recommendations are approved by the Policy & Resources Committee on 29th November 2012, they will go to Full Council on 13th December for ratification. All the committee papers for Brighton & Hove's Council Tax Low Income Discount Scheme will be published on the BHCC website one week before the meeting.

4. Social fund

- 4.1 From April 2013, the DWP administered Community Care Grants and Crisis Loans will be abolished. A budget (which reflects 2005/06 expenditure) will be given to local authorities to use from April 2013. Councils are expected, but not prescribed, to have a suitable scheme in place and to use these funds to give flexible help to those in genuine need.

³ Assuming no other change in circumstances

- 4.2 A report is to be presented to Brighton & Hove City Council's Policy & Resources Committee on 29th November 2012 seeking approval for the city's local discretionary social fund.
- 4.3 The report is seeking approval that assistance from the fund will be guided by the following criteria:
- To allow people to return to or remain in the community without the need for extra care
 - To support the most vulnerable in urgent situations through signposting to appropriate support services, advice or through provision and access to goods
 - To use the funds in the short term to prevent further and higher impacts on other service budgets in the city
 - To engage individuals with appropriate support services where needed to prevent repeat applications
 - To support the most vulnerable in a holistic way which will have a positive effect without the use of cash
 - To meet standing statutory duties under homeless, equalities, Human Rights Act and child protection legislation
- 4.4 The service will predominantly be online and via telephone, with face-to-face provision provided in exceptional circumstances. Two basic criteria are proposed which need to have been satisfied in order to provide assistance:
- There has been an unforeseeable and significant emergency or crisis and failure to give assistance will mean there is a serious risk of significant harm coming to the person or the person's family
 - The person requires assistance moving into, or remaining in the community with consequence that they will no longer need, or will not need to engage with further statutory care and giving assistance will mean that the person will not need statutory care they otherwise would
- 4.5 There is also a range of circumstances in which no assistance will be given which includes where other statutory provisions are in place or where private liability or insurance exists.
- 4.6 A person is only entitled to assistance from this fund if they are resident in the city and have not moved here predominantly for the purpose of accessing these funds, they are in receipt of, or have applied (and likely to be entitled to means-tested benefits or tax credits and where they do not have the personal means, or cannot otherwise get access to the means, for the provisions required.

- 4.7 The indicative budget for 2013/14 is £629,487 with £133,015 for administration. For 2014/15, the budget is £629,487 with £121,923 for administration. These amounts are based on 2005/06 spend.
- 4.8 The council will keep this scheme fully under review during its first year of operation. As such, details will be retained on numbers of applications, the reasons for applications, number of successful applications and the value of those awards. In addition, details will be kept of unsuccessful applications and the reasons they were unsuccessful. The council will continue to engage with and learn from colleagues in the voluntary and charitable sectors about the impact of these changes.

5. Benefit cap

- 5.1 From April 2013, the government will introduce a cap to the total amount of benefit single people and families of working age who are not in work can receive. These caps are £500 for families and £350 for single people. The actual reduction in money will be made from Housing Benefit which is administered by local authorities.
- 5.2 Pensioners are not affected by these changes. In addition, households where one member of that household is in receipt of Disability Living Allowance will not be affected and neither will households where the claimant or partner receives Working Tax Credit.
- 5.3 Work is underway to analyse the impact of these changes on the households and families concerned. In addition, work has started to trial interventions to attempt to mitigate against these changes which could potentially lead to homelessness and increasing costs for the council and other public services.
- 5.4 According to the latest data, there will be 304 affected cases in the city:
- 34 are in council housing accommodation
 - 93 are in temporary accommodation
 - 11 are within housing association homes
 - 165 are private sector tenants
- 5.5 Analysis is underway to understand any duties which the council may have to these families when they are affected and if they are made homeless. This is being completed through the Welfare Reform Programme Board with roles and responsibilities being agreed. Teams within the council have already started

interventions with the private sector cases temporary and council accommodation.

6. Other welfare reforms

- 6.1 Universal Credit is due to be rolled out nationally for new claims from October 2013 and this will incorporate claims for housing costs (currently administered by housing benefit services) from April 2014.
- 6.2 As a part of this transition the government intends that the rental element of Universal Credit will be paid to the tenant to pass on to the landlord. The government is discussing whether it may continue payment to landlords for a limited number of customers who are vulnerable. Organisations who currently receive income through direct payment of housing benefit will need to plan for these changes.
- 6.3 Between April 2014 and 2017 existing claims for housing benefit will be migrated to Universal Credit for working age people.
- 6.4 Housing benefit claims for pensioners are due to be migrated to a new form of pension credit by 2018 but no detailed proposals about these provisions are yet available.