

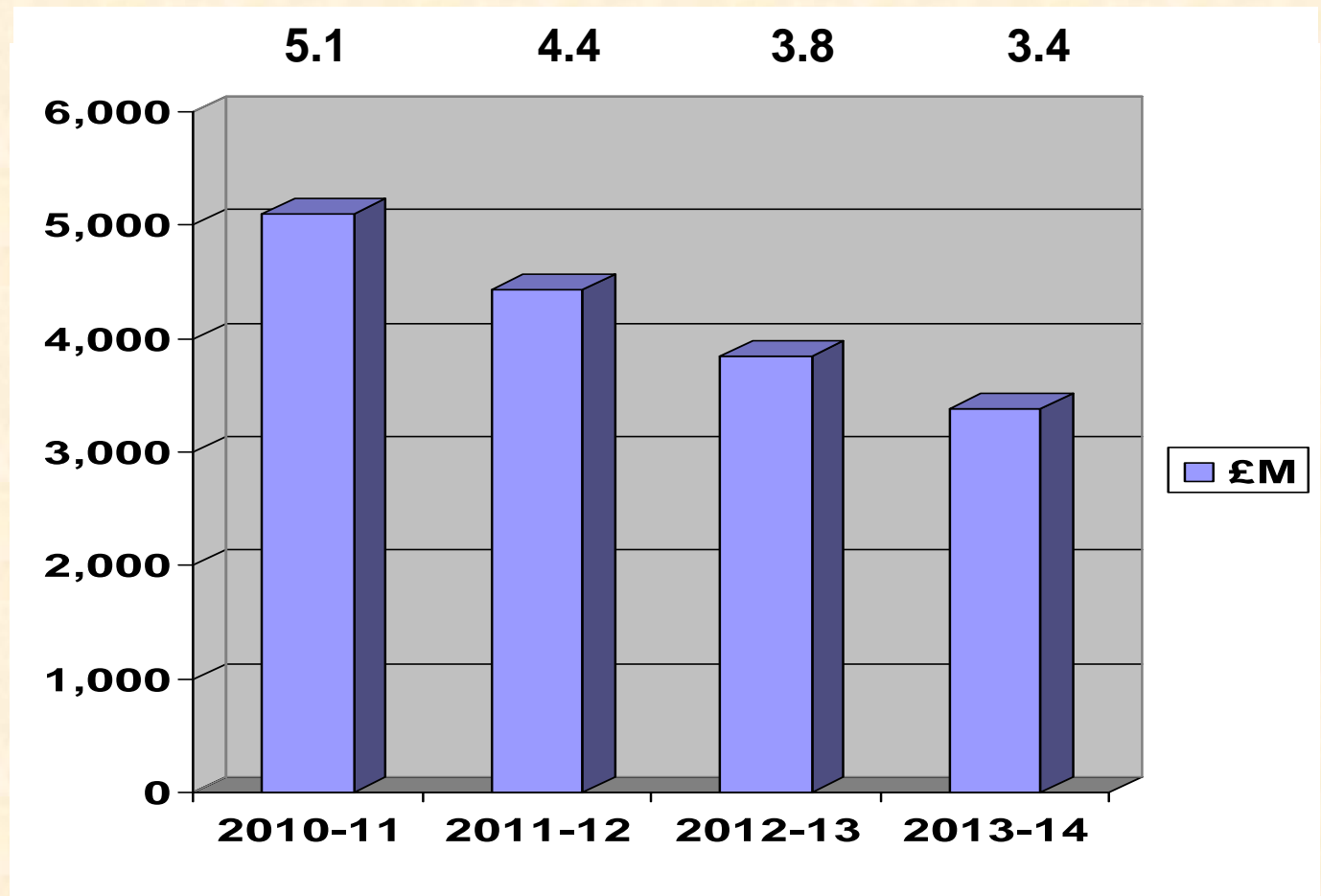
Chris Brewer

Deputy Chief Executive



**North Warwickshire
Borough Council**

Government Grant



Grant as %
of net spend

55%

49%

45%

?

North Warwickshire
Borough Council



The Future

	2013/14	2014/15	2015/16	2016/17
Formula Grant	3,384			
Specific Grants	818			
Total Grant	4,202	3,667	3,379	3,142
Cumulative Reduction		535	823	1,060
% Reduction		12.7	19.6	25.2



**North Warwickshire
Borough Council**

Council Tax Support and Parishes

Taxbase	250
Reduction - CT Support	-40
Increase - exemptions	15
Revised Taxbase	225



**North Warwickshire
Borough Council**

Council Tax Support and Parishes

	Original Tax Base £	Adjusted Tax Base £
Precept	10,000	10,000
Taxbase	250	225
Band D Council Tax	40	44.40
%Increase		11%



**North Warwickshire
Borough Council**

Council Tax Support and Parishes

Previous Band D amount	£40
Revised Taxbase	225
Revised Precept	£9,000
Reduction in precept	-£1,000



**North Warwickshire
Borough Council**

Council Tax Support and Parishes

Funding Required £10,000

Less Grant from NWBC -£1,000

Precept Required £9,000

Revised Taxbase 225

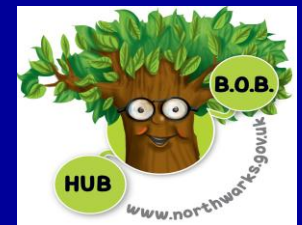
Revised Band D $£9,000/225 = £40$



**North Warwickshire
Borough Council**

Welfare Reform and Council Tax Changes – The Impact on Councils and Communities

Bob Trahern,
Assistant Chief Executive (Community Services)



Wraparound Project - Welfare Reforms Timetable

2011 - LHA

New LHA caps: based on number of bedrooms the household qualifies for, caps are £250 for a one bedroom up to a maximum £400 for a 4 bed property.

LHA rates based on cheapest 30% of properties in an area, rather than cheapest 50%

Non-dependents: LHA may be reduced if you share your home with non-dependent adults.

Work Programme introduced with increased conditionality for JSA claimants.

JANUARY 2012

Shared Accommodation Rate: age threshold raised to under 35 years; exemption to age extension for ex-offenders under MAPPA and people who have lived in hostels for three months +

APRIL 2013

Discretionary Social Fund (Crisis Loans and Community Care Grants) ends and budget goes to Local Authorities as 'Local Welfare Assistance'. LA's will then deliver support to vulnerable people in the way they deem most appropriate to meet local needs.

Total Benefit Cap £500 per week for families and £350 per week for single people with no dependents, won't include households with a DLA claimant, ESA full support group, war widow or Working Tax Credits claimant.

Council Tax Benefit replaced by localised support for council tax, overall budget cut, likely people will now need to pay part of council tax bill, won't apply to pensioners
DLA phased out, Personal Independence Payment (PIP) starts with a new application and assessment, and re-assessment of all working age claimants over next couple of years.

HB size criteria under-occupancy measures in social housing applied, 14% cut in HB if one room spare, 25% if two or more rooms spare.

LHA Uprating by CPI and not by market rents in each area

Tax Credits income increase of £5K or more will be taken into account in finalising award

Universal Credit Pathfinders: launched with a six-month run to test the system From **April 2013**

APRIL 2012

Benefits uprated for 2012 – 2013 by CPI of Sept 2011

Crisis Loans: max rate for single non-householder is 30%, max rate for householders and people not in accommodation 60% of personal benefit
Discretionary Housing Payments: more funding will be made available each year until April 2014.

Working Tax Credits: changes include no revision of claim if income falls by up to £2500 during claim year. Couples with children must work 24 hours a week between them, with one working at least 16 hours a week in order to qualify for WTC.

MAY 2012

Income Support: lone parents moved onto JSA when youngest reaches 5

Contributory ESA: WRAG claims limited to one year.

Contributory ESA in youth abolished; existing claimants limited to one year

JANUARY 2013

Child Benefit: CB tapered where one person in household earns £50K or more

OCTOBER 2013

Universal Credit: new claimants and existing claimants who have a major change in circumstances; expected that most households actively seeking work will be on UC by April 2014 and everyone else by end of 2017.

Local Implications

- PIP's
 - Major shift from DLA entitlement – current claimants review starts in April
 - Major delays in dealing with appeals (a significant role for WWR) – short term income loss and requirement to find new employment challenges
- Social Fund / Crisis Loan Changes
 - Requires localised schemes to be developed by April 2013 at 25% saving of previous spend – information only just released
 - Currently 13,000 applications at a cost of £1.291m
 - NBBC receives over 50% of applications in county
 - County Council function – possible shared delivery model or devolvement to districts – move away from telephone service ?
 - Likely voucher schemes to be developed with Third Sector – the development of Food Banks a real possibility and also a scheme around emergency fuel

Bedroom Tax : Impact on NWBC

- 390 Households (combination of 284 Council Houses and 106 Housing Association Properties) impacted of which
- 315 will lose 14% in housing benefit (will lose between £4 to £16.80 per week)
- 75 will lose 25% in HB). Will lose between £18 to £26 per week
- Average loss per week is £14.21
- Weekly Loss estimated at £5,541 or nearly £290k per annum
- All impacted tenants contacted by letter in last 4 weeks
 - Libby attempting to engage with those impacted where contact made to review options
 - Ongoing Engagement going forward / offer of help and advice
- 700+ PT houses now moved out of transitional protection with similar household income losses experienced

Benefit Cap

- Intended to start April 2013 but now delayed until September
- The Government will introduce a cap on the total amount of benefit that working age people can receive so that households on out of work benefits will no longer receive more in benefit than the average weekly wage earned by working households
- Decided by DWP but administered by the Local Authority as a cap to Housing Benefit !
- £500 per week for a couple and lone parents, £350 for a single person
- Nationally, on average households affected by the cap will lose approx. £93 week. Around 35% will lose more than £100 per week whilst around 40% will lose less than £50 week
- Locally : NWBC 20 families impacted ; Worst case £220 per week

Council Tax Support - The Changes

- To be implemented from 1st April 2013.
- Local Scheme to be devised by each Council
- Pensioners Protection Prescribed
- Ability to consider other vulnerable people
- Overall funding from central government to be reduced by 10% but in reality, the cut in grant up to 13.5% based on unrealistic assumptions which could have resulted in a 40% cut in CTB for all those of working age
- Discount not a benefit – impact on taxbase and the passing of risk to Local Councils in respect of increase in caseloads
- Created a Postcode Lottery with apparent public apathy to consultation exercises
 - Consulted on a 15-20% cut
 - We had 120 responses (mainly on paper)
 - A Transitional Year to be adopted with a cut of 8.5% by virtue of an award of a one-off grant offer from Government
- Letters sent to all affected on 10 January : average cut is £75

Likely Adopted CT Exemption Changes

- **Class C's – Unfurnished Empty Dwellings**
 - Reduction from current 6 month exemption period to TWO weeks – an estimated 1600 new liabilities to collect
 - Will raise an estimated £308k
 - Once empty for 2 years. will levy 50% premium on properties (£16k). This is likely to impact on approx 200 dwellings and avoidance tactics will be adopted
- **Second Homes**
 - To increase charge to 100% removing 10% discount currently given (£9k)
- **Class A's – Uninhabitable Dwellings**
 - Remove 12 month exemption period and charge 75% from Day One for a 12 Month period then 100% thereafter – (£48k)
- **Class L – Repossessed Dwellings**
 - Remove Limitless Exemption & charge lender bringing action 100% from Day 1 – (£25k)
- To be considered by Board on Thursday 17th January 2013
- We will be writing to all owners who will be affected by any agreed changes by the end of January 2013

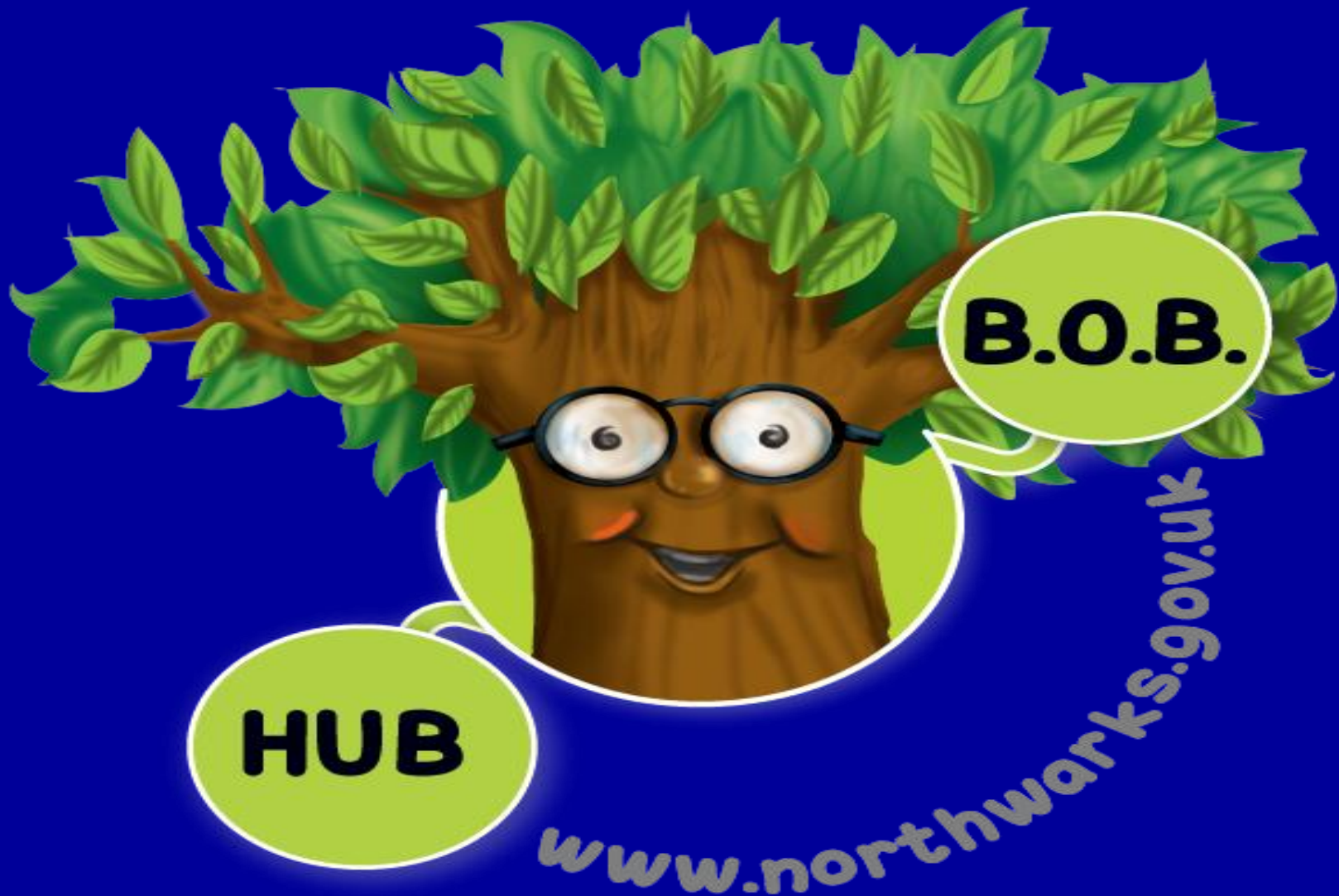
What does all this mean?

- More rent and council tax for the council to collect !!
- Likely Increase In Bad Debts and Write Off
- Identifying the Won't Pays From the Can't Pays
- Increased Costs to the Council in administration
- Greater Court and Bailiff Action
- The adoption and defending of avoidance, fraud and evasion tactics
- Increase in demand for debt advice – at a time of falling funding locally and nationally
- Inability to pay other bills – driving people to borrow or make difficult spending choices

The Future ?

- The only certainty is our workloads will increase and become more complex
- Better Placed than most to Deliver on Governments Priorities
 - Providing a variety of channels to access information
 - A triage system to link claimants to support they need ?
 - Frontline Workers Toolkit – www.frontlineworkerstoolkit.org.uk
 - Films on you tube to support written media
 - Providing Personal Budgeting Support towards Financial self-sufficiency
 - Expecting an announcement by mid February
 - To include a package of financial products and help
 - Getting People On-line, Staying On-Line and moving towards digital independence
 - Looking to commission via partnerships like the B.O.B Hub project
 - Working with others on the BDUK commitment

The Face of B.O.B Hubs



B.O.B Updates

- Significant Progress on setting up of Community (B.O.B Hubs) across the Borough
 - 11 up and running and 1 more in the pipeline
 - Live with Video Conference Technology from 4 hubs
 - Review by Members planned in early February regarding ongoing support of the project and the B.O.B Bus
 - Very joined up approach with other corporate projects
 - Potential way of bringing in new funds or
 - Wider Projects e.g. Potential setting up of Food Banks, Development of Job Clubs – new work sanctions
 - Wraparound Projects planned – starting 16 January 2013
 - Ongoing work with the Volunteer Centre to develop