

## Public Document Pack



# Rutland County Council

Catmose Oakham Rutland LE15 6HP.

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Minutes of the **MEETING of the RESOURCES SCRUTINY PANEL** held in the Council Chamber, Catmose, Oakham, Rutland, LE15 6HP on Thursday, 12<sup>th</sup> November, 2015 at 7.00 pm

### **PRESENT:**

Mr A Walters (Chair)

Mr K Bool

Mr O Bird

Mr B Callaghan

Mr W J Cross

Mr O Hemsley

Mr J Lammie

Mr A Stewart

Miss G Waller

### **APOLOGIES:**

Mrs D MacDuff

Mr T King

Portfolio Holder for Places  
(Development and Economy)  
and Resources

### **OFFICERS PRESENT:**

Mrs D Mogg

Director for Resources

Mr S Della Rocca

Assistant Director for Finance

Mrs D Baker

Head of Corporate  
Governance

Mr J Khetani

Customer Service Manager

Mrs A Grinney

Revenues and Benefits  
Manager

Mrs K Cross

Corporate Support Officer

### **IN ATTENDANCE:**

Mr T Mathias

Substitute for Mr T King

## **352 RECORD OF MEETING**

The Record of the Meeting of the Resources Scrutiny Panel held on 10 September 2015, copies of which had been previously circulated, was confirmed and signed by the Chairman.

## **353 DECLARATIONS OF INTEREST**

No declarations of interest were made in respect of the items on the agenda for this meeting.

## **354 PETITIONS, DEPUTATIONS AND QUESTIONS**

No petitions, deputations or questions were received for this meeting.

## **355 QUESTIONS WITH NOTICE FROM MEMBERS**

No questions had been received from Members

### **356 NOTICES OF MOTION FROM MEMBERS**

No Notices of Motion had been received from Members.

### **357 CONSIDERATION OF ANY MATTER REFERRED TO THE PANEL FOR A DECISION IN RELATION TO CALL IN OF A DECISION**

No matter was referred to the Panel for a decision in relation to call-in of a decision in accordance with Procedure Rule 206.

### **358 OVERVIEW OF RESOURCES DIRECTORATE**

A presentation was received from The Director for Resources, the purpose of which was to brief the panel on the teams and services provided, the work that has been done around vision and strategy, the current priorities and an overview of the Council's budgetary framework (the Presentation can be seen at Appendix A to these minutes).

During the presentation the following points were noted:

- i) Concerns were raised regarding the use of the IT underspends to upgrade Agresso. Officers explained that Agresso would need to be upgraded at some stage and that various options were being considered including working with another local authority which would enable the Council to upgrade whilst achieving lower annual running costs.
- ii) A question was also asked regarding how the Council funded capital expenditure and its current level of borrowing. It was explained that the Council does have useable balances and other assets which mean that borrowing could be repaid but also that the Council may retain a level of borrowing if it can afford to do so. Members asked why borrowing is not repaid now to avoid high interest costs. It was explained that the Council took advice on this from its Treasury advisors and that repaying borrowing now would not be prudent given the redemption charges involved.

#### **AGREED:**

- 1) That the Panel noted the contents of the presentation.

### **359 STRATEGIC AIMS AND OBJECTIVES**

Report No. 208/2015 for the Chief Executive was received, the purpose of which was to provide the panel with the opportunity to be consulted on the council's Strategic Aims and Objectives and to feed back to Cabinet any comments as part of the consultation process.

During the discussion various points were noted including:

- i) Members were not clear whether existing aims and objectives were being met and how the Council intended to measure success in the future. The Director explained that whilst no annual report is produced, the aims and objectives are covered in the Quarterly report

- ii) It would be helpful to reflect current work with Health including the Better Care Fund and Better Care Together
- iii) The work with the voluntary sector in particular building capacity and supporting delivery of the 'Big Society' could be featured more strongly
- iv) The needs of and our aspirations for older people are not reflected
- v) Members noted that the report referred to "working with our partners" however there was a strong consensus that the development, growth, and sustainability of the voluntary sector should itself be a strategic objective, and should be highlighted as such as a council wide priority. This is seen as an objective rather merely a method of working.
- vi) The work and drive around school improvement could be more detailed
- vii) The panel agreed to email their feedback directly to the Corporate Support Team to ensure that it is all captured

**AGREED:**

- 1) That the Panel noted the contents of Report No. 164/2015 and Appendix A; and
- 2) That the Panel would recommend to Cabinet, via the Director for Resources any changes to the Strategic Aims and Objectives for 2016-2020.

**360 QUARTER 2 FINANCIAL MANAGEMENT REPORT 2015/16**

Report No. 206/2015 from the Director for Resources was received, the purpose of which was to inform the panel of the full year forecast position as at Quarter 2 for 2015/16 and to alert them to issues that may impact on the Medium Term Financial Plan to enable them to maintain sound financial management of the Council's operations.

During the discussion the following points were noted:

- i) The Panel questioned the legal services costs and requested an update from the legal team to be brought to a future Panel meeting;
- ii) Clarification was sought regarding the social worker market supplements and it was explained that it was part of the Council' strategy to reduce turnover and facilitate recruitment so as to avoid high interim costs; and
- iii) The Panel sought clarification over the spending on pool cars and whether better value for money could be achieved.

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Mr A Stewart left the meeting at 8.20pm

---o0o---

**AGREED:**

- 1) That the panel noted the contents of Report No. 206 /2015.

**361 QUARTER 2 PERFORMANCE MANAGEMENT REPORT 2015/16**

Report No. 217/2015 from the Director for Resources was received, the purpose of which was to inform the panel on the council's performance for the second quarter of 2015/16.

During the discussion the following points were noted:

- i) That the Panel requested better indication of areas within the People directorate; and
- ii) The Panel noted that the Places directorate had received a large number of compliments and clarification was sought if any themes and best practice should be shared across the Council.

**AGREED:**

- 1) That the panel noted the overall position in relation to performance for the second quarter of 2015/16 and the actions being taken to address areas of underperformance.

**362 CUSTOMER SERVICES PERFORMANCE & STRATEGY**

Report No. 192/2015 from the Director for Resources was received, the purpose of which was to provide the panel with an overview of the service and its objectives; to update the Resources Scrutiny Panel on the developments of customer services within the Customer Service Team (CST) and as part of the wider Council and to provide an assurance around the future strategy and positive direction of travel.

During the discussion the following points were noted:

- i) The Panel questioned the effectiveness of the Self Service options and floor walkers that form part of the future plans for Customer Services;
- ii) Concerns were raised regarding the digital strategy and its impact on the residents of Rutland, namely those who might not be able to access services digitally;
- iii) The Panel raised concerns over the abandoned calls not answered within 15 seconds;
- iv) The Panel congratulated the Customer Service Team for the excellent statistics regarding enquiries resolved at the front desk and in the call centre, both exceeded their target.

**AGREED:**

- 1) That the Panel noted the improvements made to the customer service function and notes the future Customer Services strategy, which identified areas for development within the service and across the Council; and
- 2) That the Panel provided guidance on any area that they wanted to see included in the Customer Service development strategy.

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Mrs D Baker and Mr J Khetani left the meeting at 9pm

---o0o---

**363 WELFARE REFORM UPDATE**

A presentation was received from the Revenues and Benefits Manager, the purpose of which was to provide the Panel with an overview of the 'welfare' system and the Council's role, a recap on the benefit changes that were introduced in 2013, an update on the most recent changes and the potential impact (the presentation can be seen at Appendix B to these minutes).

During the discussion the following points were noted:

- i) Clarification was sought whether the required funding would be coming from the RCC budget as the Department for Work and Pensions (DWP) only provided funding for the first 2 years. It was explained that crisis loans were now funded out of the General Fund not specific grants ;
- ii) The panel clarified that claimants who couldn't access the DWP online application system would be offered assistance at RCC by a member of the Revenue and Benefits team.

**AGREED:**

- 1) That the panel noted the contents of the presentation.

---oOo---

Mrs A Grinney left the meeting at 9.34pm

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**364 REVIEW OF FORWARD PLAN**

The panel reviewed the Forward Plan and noted the forthcoming reports.

**365 ANY URGENT BUSINESS**

No items of urgent business had been previously notified to the person presiding.

**366 DATE AND PREVIEW OF NEXT MEETING**

Thursday 13<sup>th</sup> January 2016.

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**The Chair declared the meeting closed at 9.35 pm.**

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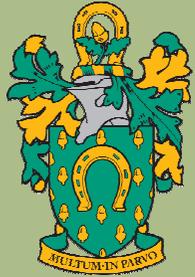
# Resources Scrutiny Panel 12 November 2015





## Purpose

- A reminder about the team and the services we provide
- An introduction to the work we have been doing around vision and strategy for the directorate
- Tell you about our current priorities
- An overview of the Council's budgetary framework



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# The Resources Team

6





## Resources Management Team

10



**Debbie Mogg**  
Director  
For  
Resources  
(Monitoring Officer)



**Sav Della  
Rocca**  
Assistant  
Director Finance  
(Chief Finance  
Officer)



**Diane  
Baker**  
Head of  
Corporate  
Governance



**Andy Nix**  
Head of IT



**Carol Snell**  
Head of  
Human  
Resources



## Monitoring Officer

- Statutory appointment
  - Responsibility to ensure that the Council, its Officers and its Elected Members maintain the **highest standards of conduct** in all that they do
1. Report to Council on matters I believe are likely to be illegal or amount to maladministration
  2. Responsible for matters relating to the conduct of Councillors (inc parishes)
  3. Maintain the register of interests and the Council's constitution



**Debbie Mogg**  
Director for Resources





## Finance

- Accounting and Exchequer Services
- Council Tax, Business Rates and Housing Benefit
- Community Care Finance
- Internal Audit



**Sav Della Rocca**  
Assistant Director Finance

**Statutory Appointment  
- Section 151 Officer**

**Responsible for the  
proper administration  
of the Council's  
financial affairs**



**Dawn Greaves**  
Finance  
Manager  
(Accounting)



**Andrew Merry**  
Finance  
Manager  
(Technical)



**Andrea Grinney**  
Revenues and  
Benefits Manager



**Rachel  
Ashley-Caunt**  
Internal Audit  
Manager



## Corporate Governance

- Corporate Support Services
- Member Support
- Electoral Services
- Customer Services
- Legal Client Management



**Diane Baker**

Head of Corporate Governance

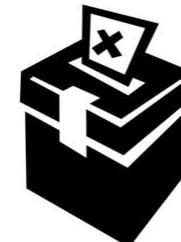
- Electoral Registration Officer
- Data Protection Officer
- Senior Information Risk Owner



**Alex Daynes**  
Corporate  
Support  
Manager



**Jay Khetani**  
Customer  
Service  
Manager





## IT Services

- IT Infrastructure
- Telephony
- Agresso Support
- Street Naming and Numbering
- Performance and Application Support (some elements moving into People Directorate)
- Council Website (but there are plans to move this)



**Andy Nix**  
Head of IT



**Jason Haynes**  
Performance &  
Application  
Support Manager





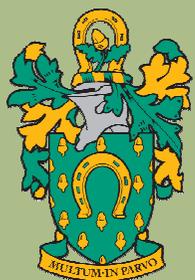
## Human Resources (HR)

- Recruitment
- Job evaluation
- Training and Development
- Casework support and advice
- Workforce Development
- Sickness Monitoring



**Carol Snell**  
Head of HR

  
**KEEP  
CALM  
AND  
RECRUIT  
ON**



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# Vision and Strategy





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The Resources Directorate is fully aligned with the overall vision for Rutland:

Rutland is a great place to live, learn, work, play and visit

Our objective is to ensure that the Council delivers for Rutland people and businesses in the most cost effective and efficient ways possible.

For us this translates into a vision to

**“Deliver first class business services and drive transformation across one council”**





Our Values underpin how we operate within Rutland County Council to serve our community.

The Resources Strategy is aligned to these values, but also seeks to create a directorate where our staff:

- Are customer focussed and deliver first time, on time;
- Listen and seek to resolve issues;
- Use our passion and skills to achieve more; and
- Are committed to continuous improvement;



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## How Resources will work

**BETTER**  
services

**SMARTER**  
working

**FASTER**  
processes



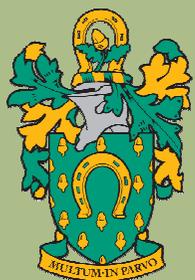
## Key elements to our strategy

- **Deliver what we say we will – and always on time**
- **Make life as simple as possible for frontline staff**
- **Remove barriers so that Managers are able to fully focus on managing their service and teams**
- **Focus on the risks that really matter**
- **Simplify processes so they contain the minimum number of steps from start to finish**
- **We'll share info across our teams so we never have to ask for things we already have**
- **Make the best use of technology across all services**





<b>Current Projects</b>	<ul style="list-style-type: none"><li>• Implementation of Liquidlogic</li><li>• Digital Strategy and Website Development</li><li>• Agresso Upgrade and transfer to managed service</li></ul>
<b>Current Priorities</b>	<ul style="list-style-type: none"><li>• Budget 2016/17 and MTFP</li><li>• Electoral Registration</li><li>• By-elections</li><li>• Leadership Development Programme</li><li>• IT Team structure</li><li>• Customer Service Improvements</li><li>• Analysis of customer demand data</li><li>• Governance work with parish councils</li><li>• Data Retention Policy</li><li>• Review of 20 key processes</li></ul>



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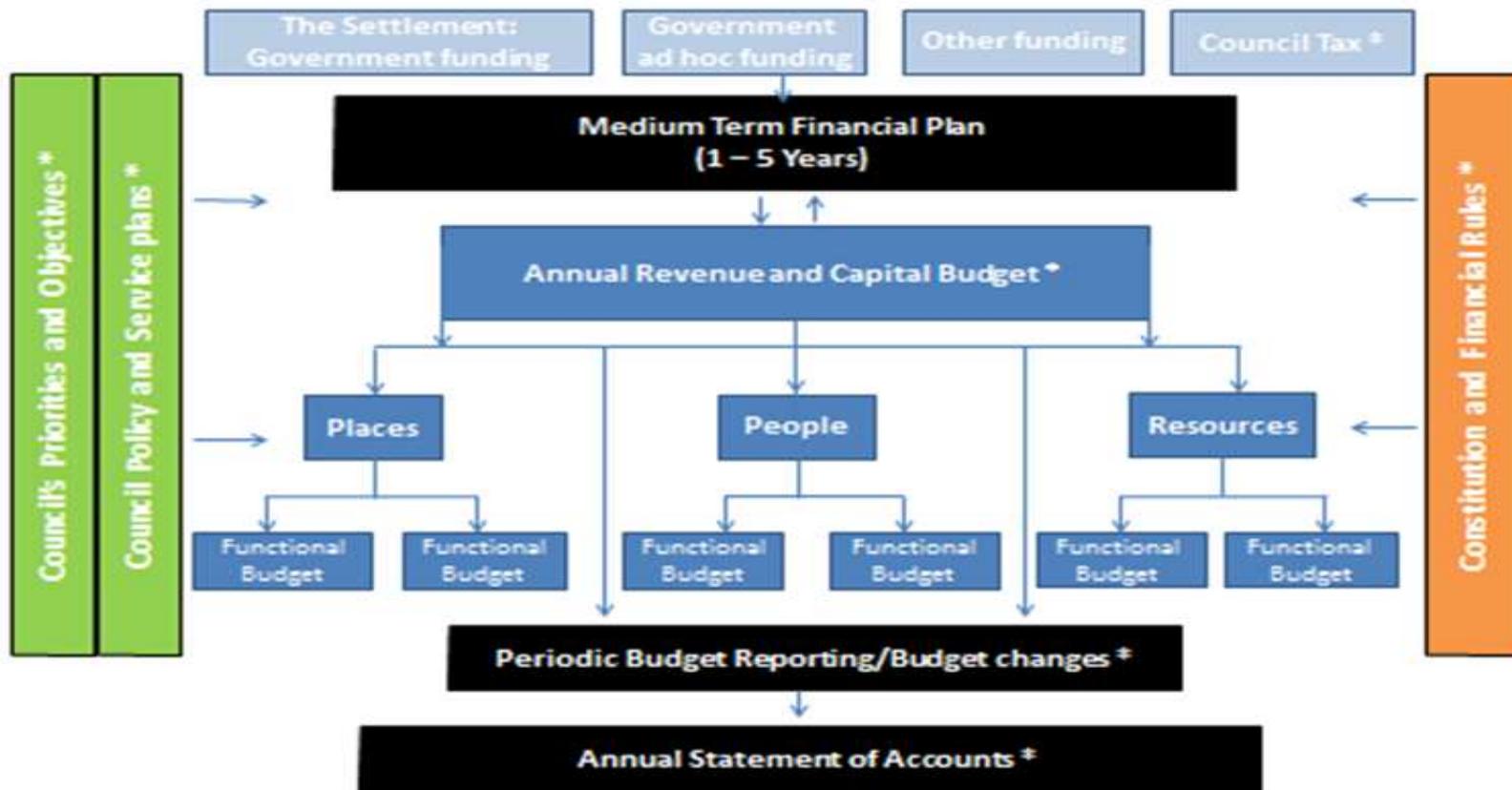
# Overview of the budgetary framework

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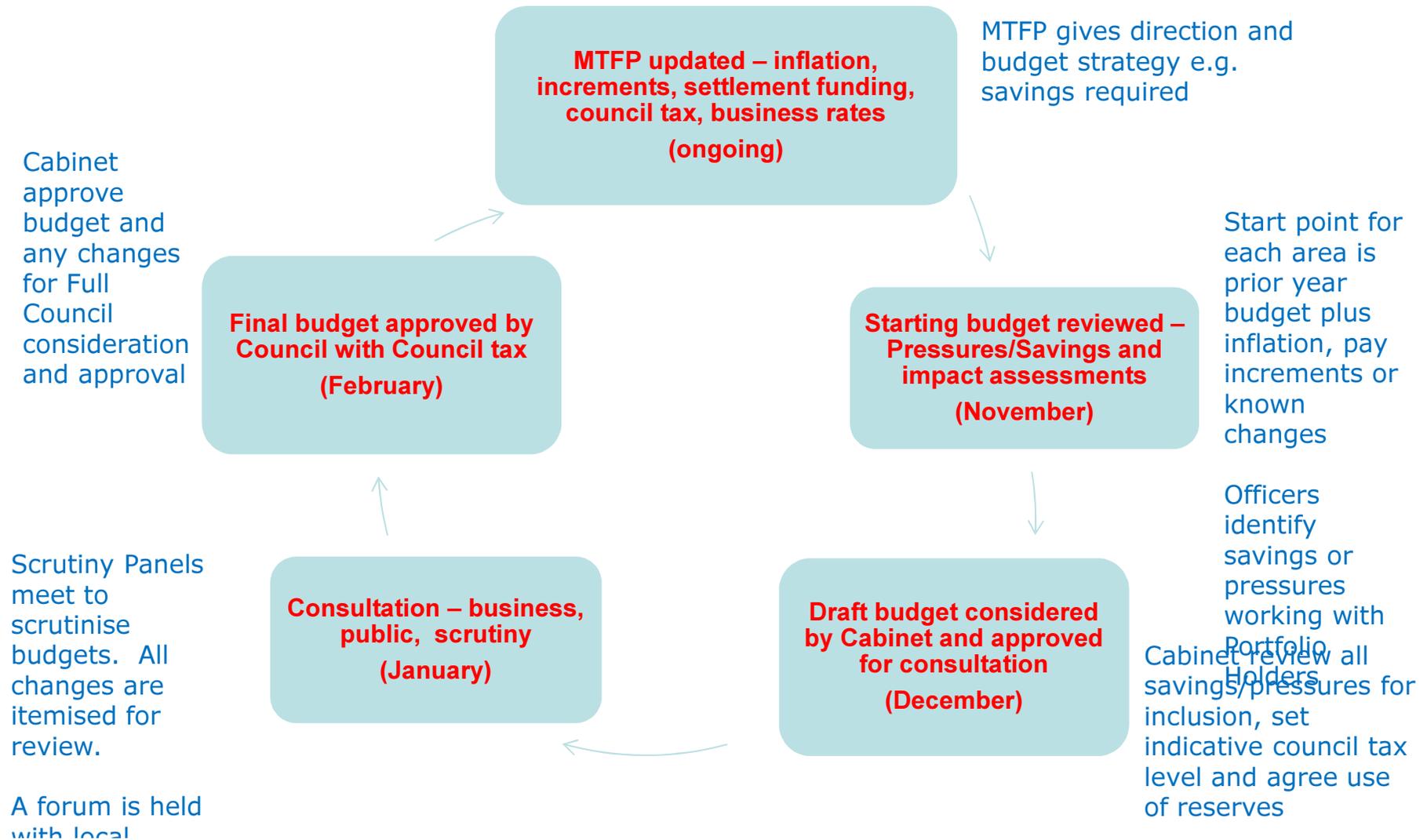
## Overview





## Revenue budget setting

24





## Revenue budget monitoring

**Budget approved by Council  
(February)**

Budget approved by  
Council for new financial  
year

**Budget setting cycle  
commences (September)**

Budget  
setting  
process  
begins  
again

**Outturn for prior year  
produced. Budget  
updated for carry forwards  
or other known changes  
(July)**

In July the  
Council may be  
aware that  
budget needs  
updating e.g.  
outcome of  
contract  
negotiation  
indicates higher  
costs

**Quarterly monitoring to  
Cabinet/Scrutiny, MTFP  
updated, budget changes  
proposed  
(Quarterly)**

Cabinet/Council  
can approved  
in-year  
changes to  
budget

**Officers manage budgets  
but prepare monthly  
forecasts  
(Daily)**

Every budget  
has a lead officer



## Capital budget setting

**Need, opportunity or issue identified that requires a project (ongoing)**

Need typically comes from delivery of council objectives e.g. school places, developing business infrastructure

**Available resources /funding options considered (ongoing)**

Available resources include grants, capital receipts, contributions. Cost of any borrowing calculated.

**Project considered by Cabinet/Council depending on size (ongoing)**

Cabinet/Council review scheme, affordability etc

**Included as addition to Capital programme or included in annual programme for consideration**

If in year project added to programme. Otherwise included in annual programme

**Capital programme approved by Council (February)**

Cabinet approve budget for Full Council approval



## Capital monitoring

**Capital programme approved**  
- New programme e.g. highways  
- Existing programme e.g. span more than 1 year  
- Available resources set out  
**(February)**

Capital programme approved by Council for new financial year

**Outturn for prior year produced. Plans re-profiled for carry forwards**  
**(July)**

In July the Council may be aware that spending plans need re-profiling e.g. a 3 year project has spent less in year 1 which will be carried forward to year 2

**Officers manage budgets and prepare monthly forecasts. SMT review monthly position**  
**(Daily)**

Every project has a lead officer. Finance work with and challenge teams.

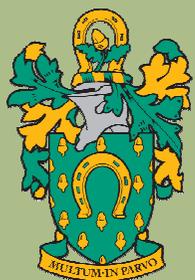
**Quarterly monitoring to Cabinet/Scrutiny**  
**(Quarterly)**

Budget setting processes begins again

**Budget setting cycle commences (September)**

Cabinet/Council receive reports on progress

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# Universal Credit and Welfare Reforms

Resources Scrutiny

12<sup>th</sup> Nov 2015



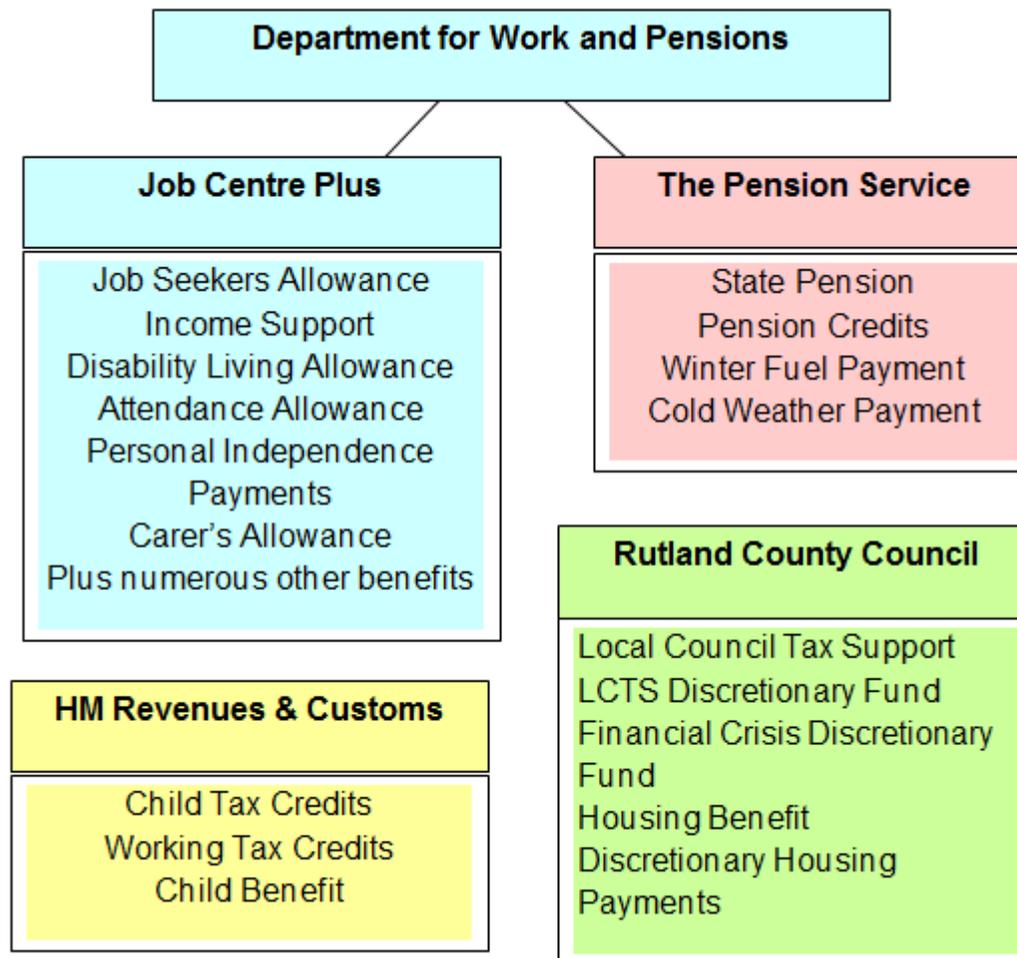


## Objectives of today's briefing

- To give an overview of the 'welfare' system and the Council's role
- To re-cap on the benefit changes that were introduced in 2013
- To help members understand the more recent benefit changes announced in the Summer Budget
- To keep members up to date with the most recent changes
- To inform members of the potential impact



## Welfare system overview





## Current position – what we offer

- Local Council Tax Support Scheme- pension age
- Local Council Tax Support Scheme- working age
- Local Council Tax Support Discretionary fund
  
- Financial Crisis Discretionary Fund
  
- Housing Benefit
- Discretionary Housing Payments

These will be expanded on further-



## Local Council Tax Support

- Pensioners are protected from changes and can still get 100% Council Tax Support
- A local Council Tax Support scheme introduced for working age claimants from April 2013 (Report 2/2013)
- A reduction in funding from Government for 2013/14 of £440k
- **Our scheme:**
  - Restricted awards to band D Council Tax for those in higher bands
  - restricted maximum award to 75%
  - abolished second adult rebate (equivalent to 25% single person discount)
  - increase the full time earnings disregard from £17.10 to £20.00
  - reduced the capital limit from £16k to £10k



## Local Council Tax Support Data

- The claimant caseload continues to reduce over time
- The actuals are reducing year on year
- The pensions to working age ratio is consistent at 60/40% split

<b>Budget</b>	<b>Total spend</b>	<b>Variance</b>	<b>Claimant numbers</b>
Budget	£1,561,000		
April 2013	£1,558,414	- 2,586	1,797
April 2014	£1,438,535	-122,465	1,789
April 2015	£1,356,118	-204,882	1,716



## LCTS Discretionary fund

- A Discretionary fund was created to support the most vulnerable people who may not be able to pay any council tax
- The budget was set at £100k from April 2013
- Vulnerable people include; care leavers, people with children under 5, people in receipt of disability benefits, people who are unable to work due to having a health condition
- Anyone in receipt of LCTS can apply for additional support
- **The award process takes into account their income and their expenditure**
- The scheme was revised in 2015 (report 2/2015) to disregard Child Benefit as income and to disregard the support component of Employment Support Allowance as income



## LCTS Discretionary fund data

- The budget is forecast to underspend in 2015/16
- Awards continue to be made to the most vulnerable and those who are unable to work due to disability or poor health

<b>Year</b>	<b>Number of applications</b>	<b>Number of awards</b>	<b>Total amount awarded</b>
2013/14	197	129	£14,775
2014/15	214	172	£24,185
2015/16 (Q2)	94	71	£12,100



## Financial Crisis Discretionary Fund

- The Social Fund administered by the DWP was largely abolished in 2013 (some elements remain i.e. funeral costs)
- Funding for 2 years was provided to enable local authorities to develop their own arrangements (£23k in 2013/14 and 2014/15)
- A local scheme was approved to commence April 2013 (report 240/2012)
- The fund supports people with immediate financial crisis i.e. for food, fuel for heating and cooking
- The fund also supports people who need community support i.e. fleeing domestic violence and need furniture and white goods to set up a home
- The scheme was reviewed in 2013 (report 56/2013), the criteria was reviewed and criteria were strengthened to reduce dependency on awards and tighten eligibility



- The budget is forecast to underspend in 2015/16
- Awards have reduced in 2015/16 due to tighter criteria
- People are being signposted or referred to other support services i.e. foodbank

## Financial Crisis Discretionary Fund data

Year	Applications made	Awards made	Total amount
2013/14	NN	NN	£13,100
2014/15	324	207	£17,115
2015/16 (Q2)	87	62	£ 4,684



## Discretionary Housing Payments

- DHP's can be awarded to help people with short term difficulties, prevent homelessness, secure new tenancies and sustain tenancies for vulnerable people
- The DWP funds Discretionary Housing Payments (DHP's), however the Council is able to top up the fund to 2.5 x their allocated funding
- The Council revised its policy in 2014 (report 2/2014) to reflect the latest guidance and welfare reforms
- DHP's can only be awarded to people in receipt of Housing Benefit
- Any amount of funding that is underspent is returned to the DWP
- Funding levels change each year and are determined by the DWP



## Discretionary Housing Payments data

- Awards increased from 2013/14 as under occupancy rent restrictions started to reduce claimants Housing Benefit awards
- 126 tenants have has their HB restricted as they have 1 or more "extra" bedrooms
- No households are currently affected by the benefit cap

Year	Amount allocated	Amount spent	Number of awards
2012/12	£16,413	£14,587	20
2013/14	£36,068	£26,714	61
2014/15	£32,449	£43,420	76
2015/16 (Q2)		£17,300	54



## Welfare system recap

- Since 2013 the Government have made numerous changes to welfare benefits for people of **working age**:

Local Authority led	DWP led
Housing benefit reform – under occupancy “the bedroom tax” for those with extra bedroom in social housing	Personal Independence Payments (PIP) to replace Disability Living Allowance (DLA)
Social fund abolished – local provision instead	Employment Support Allowance (ESA) to replace Incapacity Benefit
Council Tax Benefit abolished – local provision instead	Armed Forces Independent Payment (AFIP) to replace Disability Living Allowance (DLA)
Benefit Cap - to restrict the amount of benefit a person can get to £500 per week for a couple and £350 for a single person	Universal Credit (UC) -to replace Income based Job Seekers and Employment and Support Allowance, Income Support, working and child tax credits, housing benefit



## Universal Credit

- Universal Credit (UC) will replace 6 main benefits including Housing Benefit, Tax Credits and Income Support
- People will still need to apply to RCC for LCTS and for DHP's
- The DWP administer UC via Jobcentres but RCC will support vulnerable people to make a claim online and to budget
- Criteria is very limited-a claimant must be; single; aged between 18-60.5; not own their home; not have a child; not live in exempt accommodation; not be self employed, not be pregnant; not be in education; be fit to work; must have a bank account...etc.
- Stakeholder event held at RCC on 17<sup>th</sup> Sept 2015



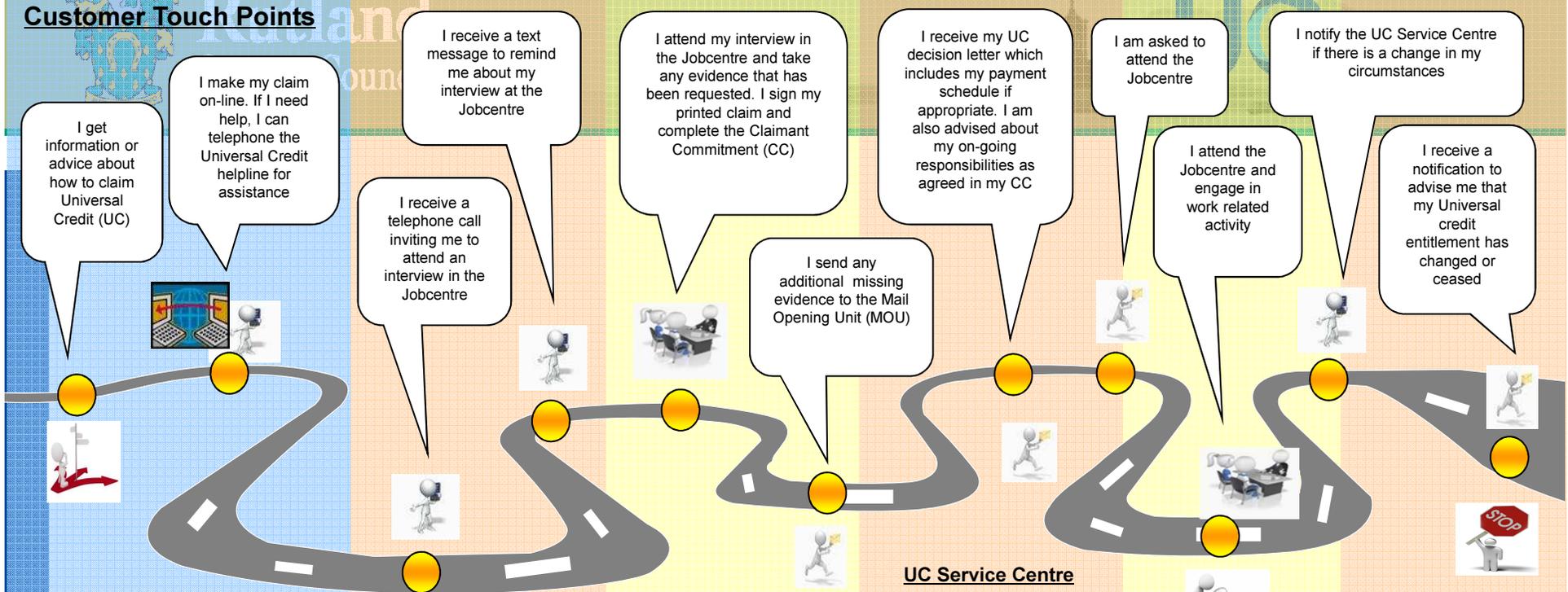
## Universal Credit - Rutland

- Commenced in Rutland area from 5<sup>th</sup> October 2015
- The Council and the DWP are committed to working together and have signed a Universal Credit Delivery Partnership Agreement.
- The Council will:
  - support local people to make a claim for UC online-if referred
  - Provide expert advise about housing costs to the DWP
  - Provide Personal Budgeting Support via CAB – if referred
  - Record monthly data and return to DWP
  - Small numbers expected initially i.e. 10-15 from 5<sup>th</sup> October 2015 and 31<sup>st</sup> March 2016

# Appendix B

# UC Customer Journey – Pictorial Representation

## Customer Touch Points



## Business Process

### Online/ UC Helpline



Claims to Universal Credit (UC) are made on-line. If a claimant requires assistance, the Universal Credit Helpline is available. In exceptional circumstances, claims can be made by telephone or face to face

### UC Service Centre



On receipt of the online UC claim, the Service Centre (SC) contact the Claimant by telephone to arrange an interview at the Jobcentre. An SMS text message is issued to remind the claimant about their appointment

### Jobcentre



The Jobcentre print the UC claim and obtain a signature from the claimant. Any additional information is gathered and the Claimant Commitment (CC) is completed. The UC Portal is updated and the claim documents and any supporting evidence are sent to the Mail Opening Unit (MOU)

### UC Service Centre



The MOU scan the claim on to the Data Repository System (DRS). Any evidence or correspondence sent in separately by the Claimant creates a CamLite task for the agent in the SC. On receipt of the task, the agent updates the UC Portal. Once all evidence has been verified, this triggers the processing of the UC claim

### Jobcentre



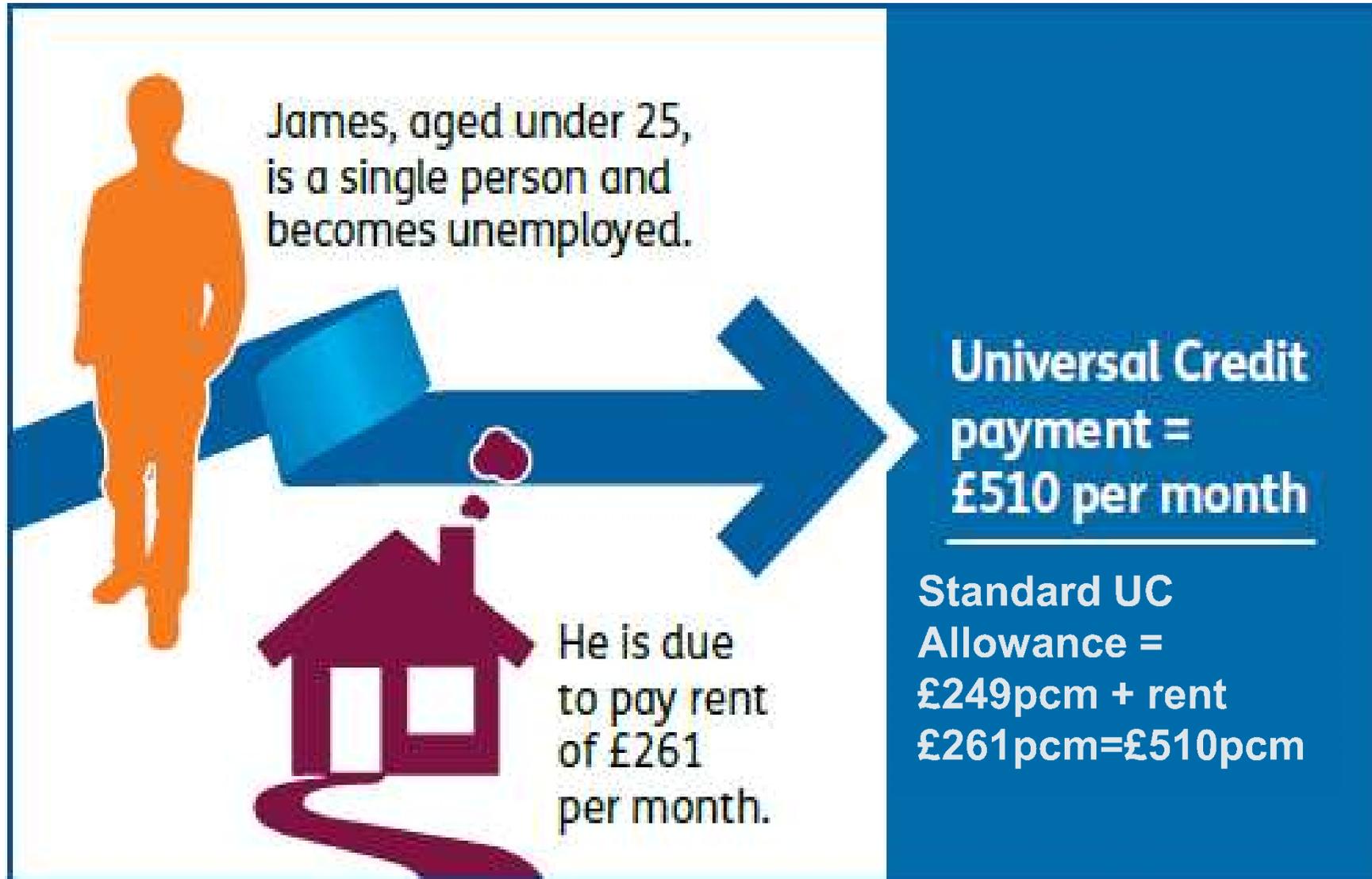
The Claimant is invited to attend the Jobcentre to undertake specific work related activity as agreed in the CC. There is on-going interaction at the JC

### UC Service Centre Claims Closure



If the claimant has a change of circumstance it is reported to the Service Centre. The claimant is notified regarding any change to the award of Universal Credit

## James, Single Claimant under 25



## James, Single Claimant under 25

But then...

James moves  
into **12 hours**  
of employment  
per week at  
the National  
Minimum Wage.



Take home pay  
= £329 per month

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Universal Credit payment  
= £368 per month

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**Total = £697 per month**  
James is **£187** per month  
**better off** in work.

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## Universal Credit – latest national numbers

- As at 10<sup>th</sup> September 2015-

125,887 people were on Universal Credit, of these;

38,109 (30%) were in employment

87,768 (70%) were not in employment

- At this rate it will take 138 years until the roll-out is complete. The pace has increased recently with 6,000 new claims per week being made on average.
- Universal Credit is designed for working age claimants only. Housing Benefit will continue for people of pension age until there are plans to change. Pensioners make up 60% of our caseload.



## Welfare reforms – Summer 2015

- A number of further welfare reforms were announced in the Summer Budget 2015
- The impact of these is difficult to predict this is because:
  - The Government has not yet decided when some of these changes will be implemented
  - Changes to tax credits are difficult to forecast as many people who claim tax credits aren't always entitled to HB or LCTS and the numbers are unknown
  - The Government is under pressure to review the proposed changes to tax credits
- The following slides describe some of the changes and the potential impacts-



## 4 year freeze on working-age benefits

- All working-age benefits will be frozen at current rates until April 2020.
- Working-age households will lose £260 a year on average\*
- The Council can expect to receive more applications for Discretionary Housing Payments (DHP's), Local Council Tax Support (LCST), Local Council Tax Support Discretionary Fund (LCTS DF) and Financial Crisis Support as people will have less money coming in.

\*Institute of Fiscal Studies



## The Benefit Cap

- Introduced in 2013
  - £500 per week for families and couples
  - £350 per week for singles without children
- From April 2016
  - £385 per week for families and couples
  - £258 per week for singles without children
- Actual start date is unknown, likely to be phased in gradually.
- Based on current data 38 households *may* be affected by the lower cap in Rutland. The *actual* number is likely to be less as some benefit income isn't included.
- The Council can expect to receive more applications for DHP's, LCTS, LCTS DF and Financial crisis support as people will have less money coming in.



## Housing Support for 18-21's

- From April 2016, automatic entitlement to Housing Benefit is removed so young people cannot leave home and start a life on benefits.
- Young people in the benefit system will face the same choices as young people who work and may not be able to afford to leave home.
- There will be exceptions for vulnerable young people, i.e. care leavers who are unable to return home, single parents.
- There are currently 15 young people in receipt of Housing Benefit, they will not be affected as they are already claiming, only young people making a claim for the first time will be affected.
- Homelessness may increase if young people with tenancies can't afford their rent due to a change in their circumstances



## Removing the Family Premium

- Housing Benefit awards are made by calculating a household's 'applicable amount' this is made up of allowances and premiums and applying this to the household's income.
- The family premium is £17.45 per week. This premium will be removed for new claims received after April 2016.
- The change only applies to in-work households.
- Last year there were 38 new claims made where the family premium was applied.
- The Council can expect to receive more applications for DHP's, LCTS, LCTS DF and Financial crisis support as people will have less Housing Benefit.
- Example on next slide



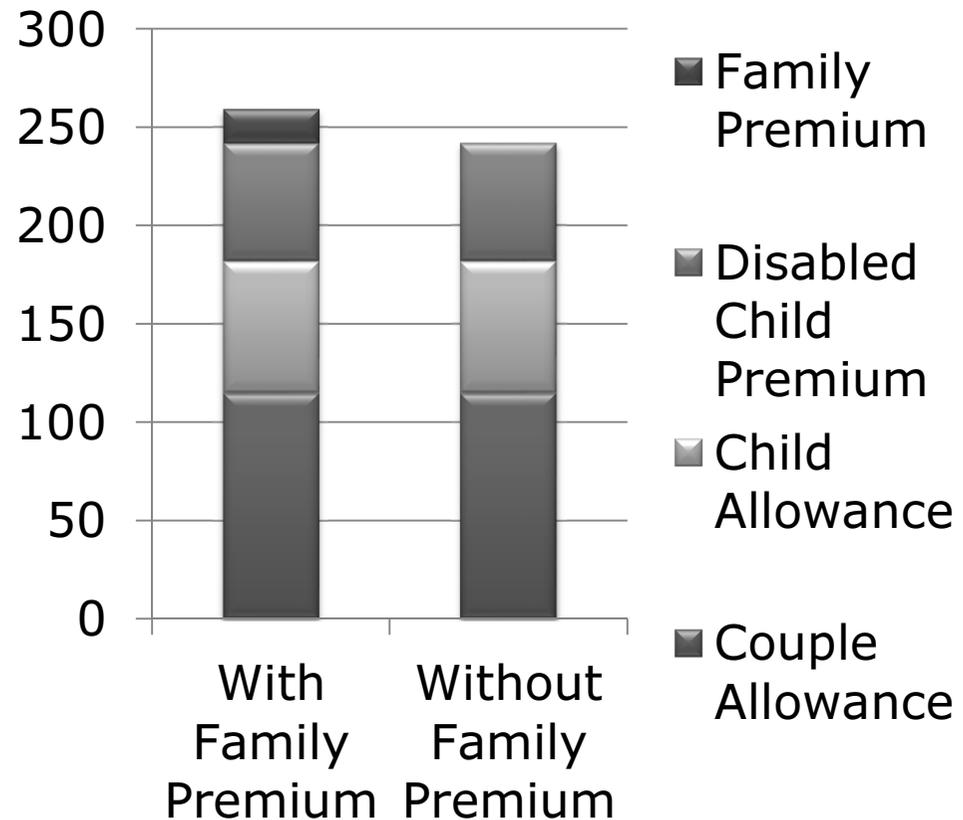
Mr & Mrs R are a couple with a disabled child who rent their home for £103.85 per week.

Their total applicable amount with the family premium is **£259.26** giving them HB of £57.52 per week.

Their total applicable amount without the family premium is **£241.81** giving them HB of £46.18 per week.

This is a reduction in their Housing Benefit of **£11.34** per week.

## Example of family premium removal





## Reducing the backdating of Housing Benefit

- The Government has decided to reduce the backdating period from a maximum of 6 months to 4 weeks. Housing Benefit is usually award from the monday following date of receipt of the claim. This is because people are expected to claim in a timely manner.
- Backdating is the exception rather than the rule, this is because people have to have a really good reason for not applying sooner.
- The Council only backdated 19 claims last year, of these only 2 were beyond 4 weeks.
- This change will have hardly any impact.



## Local Housing Allowance Freeze

- Introduced in 2008, the LHA rates are designed to help people see how much help they can get towards paying their rent in the private sector.
- The LHA rate is based on the number of bedrooms the household needs, there are regional variations in the LHA rates.
- The Government intends to freeze the LHA rates for 4 years from 2016.
- There are 267 claimants who could potentially have larger shortfalls between their rent and their Housing Benefit award if their landlord increases their rent.
- It is estimated that 10% of the 267 would approach us with a rent increase each year.
- The Council can expect to receive more applications for Discretionary Housing Payments.



## Changes to Tax Credits

- The Government are making a number of changes to working tax credits and child tax credits
- The impact of these change is difficult to forecast due to the complex calculations for tax credits and not everyone in receipt of tax credits is entitled to Housing Benefit or Council Tax Support
- We estimate that 199 claimants will be affected
- Households will have less money coming in and they may be entitled to claim more Housing Benefit and Council Tax Support
- The Council can expect to receive more applications for DHP's, LCTS, LCTS DF and Financial Crisis Support as people will have less money coming in.



## Tax credits summary of the changes

- The income threshold for working tax credits will be cut from April 2016 from £6,420 to £3,850 per year. As soon as someone earns £3,850 their tax credit payment will reduce.
- The rate at which their tax credit payments are reduced will also get faster. Currently for every £1 claimants earn above the threshold they lose 41p, this is known as a 'taper'. The taper will change to 48p.
- From April 2017 new tax credit claims will be limited to two children, no allowance will be made for a third or fourth child etc.
- These changes will also be mirrored in Universal Credit.



## Financial impact for the Council

- The reforms that impact upon Housing Benefit will have no direct cost to the Council, this is because the DWP pays for Housing Benefit;
- The reforms will impact upon the Council Tax Support budget. This is because households will be entitled to more support as their income decreases. The estimate is £50-60k in 2016/17;
- Demand for Discretionary Housing Payments is likely to increase, the DWP will increase their funding for this, but the Council is able to top-up by 2.5%;
- Demand for Local Council Tax Support and LSTS Discretionary fund is likely to increase, this is funded by the Council;
- Demand for Welfare Crisis Support is likely to increase, this is also funded by the Council.



## Conclusions

- The reforms do not have an immediate impact.
- Household in receipt of tax credits will be affected the most.
- The benefit cap will affect some households in Rutland for the first time.
- The Local Council Tax budget for 2016/17 is able to absorb an estimated increase of expenditure of £50-60k.
- The Council will review the Local Council Tax Support scheme and the discretionary funds in 2016/17. This review may result in changing the scheme and discretionary funds from 2017/18 onwards.

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