

**Report of Assistant Chief Executive, Customer Access and Performance**

**Report to Inner East Area Committee**

**Date: 1<sup>st</sup> December 2011**

**Subject: Welfare Reform**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	All wards in Leeds	
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The Government has embarked on a major programme of Welfare Reform which sees major changes happening in each year of the next three years.
2. These changes affect all currently administered benefits including Council Tax benefit and Housing benefit which will see a disproportionate number of poorer sections of our community, on average, £11pw worse off.
3. It is also foreseen that additional resources will be needed to meet the needs of affected residents and to deal with the effect on our income streams.

**Recommendations**

4. The Inner East Area Committee is asked to note the contents of the appended reports and letter.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to share with Area Committee changes that will be coming into effect.

## **2 Background information**

- 2.1 The reports attached at Appendix 2 and 3 went to the Area Chair's Forum on the 3<sup>rd</sup> November 2011.
- 2.2 The letter attached at Appendix 5 was sent to the Government Department for Communities and Local Government on 13<sup>th</sup> October 2011 by the Leader, Cllr Keith Wakefield.

## **3 Main issues**

- 3.1 The Government has embarked on a major programme of Welfare Reform which sees major changes happening in each year of the next three years a timetable for which is attached at appendix 1.
- 3.2 Within the programme of reform there are significant changes to the Housing Benefit scheme. The changes introduced in April 2011 only affect private rented sector tenants and will make claimants, on average, £11pw worse off. Appendix 2 gives greater detail on how this will be calculated and sets out what reforms will be coming into effect in 2013, including the roll out of Universal Credit.
- 3.3 Changes affecting ALMO/BITMO tenants will come into effect in October 2013 and include payments being made directly to customers instead of direct to the ALMO/BITMO. Appendix 3 outlines some of the concerns and additional strains on resources that it is anticipated these changes will bring and appendix 4 details some of the measures the ALMO/BITMO propose to try to combat some of these.
- 3.4 Appendix 5 sets out Leeds City Council's response to the proposed localisation of the support scheme to replace Council Tax Benefit which is to be brought into effect in April 2013. The Council believes that it will have a disproportionate impact on poorer sections of the city, present a significant financial risk to local authorities and is not deliverable by April 2013.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The changes are being rolled out nationally but residents will need support and advice on how they are affected nearer the time.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 This report has no equality and diversity/ cohesion and integration considerations.

### **4.3 Council Policies and City Priorities**

4.3.1 There are no implications for Council policies and city priorities associated with this report.

#### **4.4 Resources and Value for Money**

4.4.1 There are no resource implications as a result of this report

#### **4.5 Legal Implications, Access to Information and Call In**

4.5.1 There are no legal implications or access to information issues. This report is not subject to call in.

#### **4.6 Risk Management**

4.6.1 See appendix 4.

### **5 Conclusions**

5.1 The documents attached are presented to the Area Committee for information only.

### **6 Recommendations**

6.1 The Inner East Area Committee is asked to note the contents of the reports attached at appendixes 2 and 3 and the letter at appendix 5.

### **7 Background documents**

7.1 Report of the Director of Housing Services to Area Chairs, 3<sup>rd</sup> November 2011, appendix 3

7.2 Report of Chief Officer, Revenue and Benefits to Area Chairs, 3<sup>rd</sup> November 2011, appendix 2

7.3 Response to localisation of Council Tax Support (appendix 5)