

This is a summary of the impact of welfare reform changes is having in Torbay.

COUNCIL TAX SUPPORT

As part of the Welfare Reform Act (2012) the Government abolished Council Tax Benefit and was replaced with a new local scheme from April 2013 called Local Council Tax Support.

Caseload

Total number receiving Council Tax Support on 31 March 2014	16,822
Total number receiving Council Tax Benefit on 31 March 2013	18,153

Caseload Groups

Number of pensioner households (not affected by restriction)	7,827
Number of working age households (includes households previously received full rate CTB)	8,995
Number of households that received full rate CTB in 2012/13	6,900

Council Tax – Households that have Made a Payment

	Total	Payment	%age
All households	59,612	56,763	95.22
Council Tax Support – full rate (Pensioners)	5,334	5,334	100.00
Council Tax Support – less than full rate (Pensioners & Working Age)	14,662	12,937	88.23
Council Tax Support - previously received full rate CTB (Working Age)	6,900	6,320	90.25

All households is the number of payers that have received a Council Tax bill and have a balance to pay. The number that previously received full rate CTB is also included in Council Tax Support less than full rate.

Additional information:

Total expenditure in 2013/14 £12,902,763
 Total number of claims paid 21,178

COUNCIL TAX EXCEPTIONAL HARDSHIP PAYMENTS

The Exceptional Hardship scheme was introduced from April 2013 to provide reductions in Council Tax under the policy from 0% to 100% of the remaining Council Tax liable amount. It provides further financial assistance for households who are entitled Council Tax Support, or were entitled to Council Tax Benefit on 31 March 2013.

General Fund	£80,000
Number of Applications	833
Number Awarded	174
Number Refused	659
Amount Paid in 2013/14	£33,608

Additional information:

As part of the mailshot exercise all households that applied for Discretionary Housing Payments was also considered for exceptional hardship payments.

So far three applications have also been awarded a hardship payment and two of them awarded a DHP.

A brief analysis of the applications received show that the main reasons for refusal is that the applicant does not meet the initial qualifying criteria or the income is higher than expenditure.

The number of households that also qualified for other discretionary payments are as follow;

Discretionary Housing Payments	111
Crisis Support	36
Discretionary Housing Payments & Crisis Support	28

DISCRETIONARY HOUSING PAYMENTS

The Discretionary Housing Payments (DHP) scheme was introduced by the Government in July 2001 so that local authorities could provide financial assistance to claimants receiving housing benefit when additional help with housing costs is required.

General Fund	£393,853
Number of Applications	1,877
Number Awarded	722
Number Refused	1,155
Amount Paid in 2013/14	£393,615

DHP Budget Projection

	Quarter One	Quarter Two	Quarter Three	Quarter Four
Projected Outturn	110,000	210,000	310,000	*393,853
Expenditure	74,173	146,748	273,049	393,615
Committed	18,630	21,293	15,162	0
Variances	(17,197)	(41,959)	(21,789)	(237)
*Programme/General Fund				

Additional information:

In early January 348 letters were sent to households that had a shortfall in their weekly entitlement of more than £50, due to the Local Housing Allowance rate used in the calculation of their Housing Benefit.

So far 14 applications have been successful and awarded a DHP and two of them also awarded a Council Tax Support hardship payment.

DHP was awarded to ten households affected by the size criteria restriction (bedroom tax) that qualified for the pre 96 protection. The DHP paid for these cases, which totals just under £3.5k, has since been written off following advice from the DWP.

The number of households that also qualified for other discretionary payments are as follow;

Council Tax Exceptional Hardship	111
Crisis Support	154
Council Tax Exceptional Hardship & Crisis Support	28

CRISIS SUPPORT

As part of the Welfare Reform Act (2012), the Government abolished discretionary payments from the Social Fund. From April 2013, the support provided to households via Community Care Grants and Crisis Loans for Living Expenses was replaced by a new scheme, developed by the Council's Revenues and Benefits service.

General Fund	£552,980
Number of Applications Received	3,616
Number Awarded	1,503
Number Refused	2,113
Amount Paid (exc. VAT)	£252,606

Additional information:

The above includes a donation of £1,500 to the Trussell Trust, which is a non governmental organisation and charity that formally coordinates the only nationwide network of food banks in the country.

The number of households that also qualified for other discretionary payments are as follow;

Discretionary Housing Payments	154
Council Tax Exceptional Hardship	36
Discretionary Housing Payments & Council Tax Exceptional Hardship	28

SOCIAL HOUSING SIZE CRITERIA (BEDROOM TAX)

From April 2013, working age tenants living in social housing and receiving housing benefit will have a reduction in benefit by 14% if they have one extra bedroom or 25% if they have more than one extra bedroom.

	Households	Average Reduction in Benefit
14% Reduction	444	£13.65
25% Reduction	97	£25.03
Total	541	£15.69

Additional information:

In Torbay 38, or 6.98% of the 545 households that was restricted now qualify for the pre 96 protection.

On 5 February 2014 the government announced that the Housing Benefit Regulations had been amended to close the exemption and this will come into effect on 3 March 2014, reinstating the original policy intention.

This means the exemption from the size criteria restriction will no longer apply from 10 March 2014.

The restriction was reapplied to these cases from 10 March 2014 and the households affected informed of this change by letter as well as advised that Discretionary Housing Payments are available to help top up the level of Housing Benefit in payment. Take up is currently being analysed and the results included in the April update.

BENEFIT CAP

From April 2013 a cap will be introduced on the total amount of benefit that working age people can receive, so that workless households will no longer receive more in benefits than average working families, after tax and National Insurance.

The cap is set at £500 per week for couples and lone parents and at £350 per week for single adults.

The benefit cap was introduced in Torbay from 15 July 2013.

Weekly Reduction in HB	Households
Over £100	7
£50-£100	9
£20-£49	14
Under £20	18
Total	49

Additional information:

None.

CUSTOMER ENQUIRIES

The number of benefit enquires by telephone during 2013/14 increased by nearly 23% when compared to 2012/13, due to the welfare reform changes. The number of office based enquiries have fallen by around 26% when compared to 2012/13, which is consistent with other departments.

Telephone Calls	Benefits		Council Tax	
	2013	2012	2013	2012
April	17,359	7,610	4,028	3234
May	12,553	8,261	3,031	3208
June	11,185	7,019	2,997	3096
July	13,214	8,138	2,806	2877
August	10,499	7,707	2,063	2,765
September	10,502	7,583	2,313	2,843
October	9,713	6,474	2,240	5,556
November	8,719	8,303	1,860	2,745
December	6,527	5,493	1,540	1,902
January	9,878	9,061	2,140	3606
February	8,872	9,670	2,070	3,150
March	11,959	15,915	2,000	3,173
Total	130,980	101,234	29,088	38,155

Connections Offices	Benefits		Council Tax	
	2013	2012	2013	2012
April	2,774	3,171	936	847
May	2,448	3,591	785	890
June	2,205	2,818	838	756
July	2,191	3,065	936	738
August	1,533	2,574	712	680
September	1,828	2,501	710	685
October	2,021	2,648	688	759
November	1,869	2,496	705	623
December	1,550	1,610	479	374
January	1,833	2677	723	751
February	1,535	2,329	577	722
March	1,807	2,376	718	924
Total	23,594	31,856	8,807	8,749