

Council – 19 November 2012

Notice of motion – Housing and Council tax benefit

The following notice of motion to Council has been submitted by Councillor Oliver, Councillor James, Councillor Burley, Councillor Cassidy and Councillor Sarohi:

“This Council notes recent legislation introduced by the coalition government in relation to Housing Benefit and Council Tax Benefit. This Council notes in particular the detrimental implications of:

- The changes in Housing Benefit eligibility, including the introduction of restrictions relating to the number of bedrooms and criteria for single adults aged up to 35 years – which we are officially told will impact on over 4,000 households in the borough of Walsall.
- The pass-porting of local Councils of the estimated Council tax benefit with a reduction of 10%, along with the responsibility for devising eligibility criteria (but with additional restrictions imposed), and associated increases in administrative costs.
- The similar pass-porting and cutting of the social fund, providing hardship loans and grants.

The Council is of the view that:

- These changes will specifically impact on the disadvantaged in our local communities in Walsall, and in particular those in low paid employment.
- These changes will specifically impact on those Councils with already high and growing numbers of benefit claimants, increasing population, and low employment growth – including the borough of Walsall – resulting in poorer areas paying more for less, while richer areas will play less for more.
- These changes transfer from central to local government the invidious decisions to cut help for those who need it at a time of ever-contracting budgets. As Councils have no (or very limited) powers to raise additional monies, politically the government is “passing the buck without passing the bucks”.

This Council therefore resolves to inform both the Secretary of State for Local Government, Eric Pickles, and the Local Government Association, of our opposition as above to these changes introduced under the banner “localism”, which will increase inequalities both within local communities and between Council areas – and to call for a re-assessment of these unfair policies introduced by the coalition government. “

Background information

Size criteria restriction on Housing benefit for social landlord tenants

This change will come into force for all existing and new claimants to Housing Benefit (HB) from 1 April 2013

- Only the working aged tenants will be affected. These changes do not affect pensioners.
- Those affected will have an immediate shortfall in rent with HB from April 2013.
- The Department for Work and Pensions (DWP) is increasing the DHP fund aiming to protect disabled customers where considerable adaptations have been made to the property and foster carers.

The new rules will restrict the size of accommodation for which housing benefit is paid.

The new rules allow one bedroom for:

- every adult couple (married or unmarried)
- any other adult aged 16 or over
- any two children of the same sex aged under 16
- any two children aged under 10
- any other child, (other than a foster child or child whose main home is elsewhere)
- a carer (or team of carers) who do not live with you but provide you or your partner with overnight care

Rates of reduction

Those that are considered to be under-occupying their accommodation will see a reduction in their housing benefit calculated by a reduction of:

14% of the total eligible rent for under-occupation by one bedroom; e.g. £12 per week

25% of the total eligible rent for under-occupation by two bedrooms or more.e.g. £21 per week

It is estimated that 4,000 Walsall social landlord benefit customers will be affected by this change.

Changes to housing benefit for single adults under 35 years

From the 1 January 2012 a restriction to the amount of housing benefit was introduced for single people under 35 years old. This is called the Shared Accommodation Rate

As a result of these changes, single people under 35 years old are only entitled to the rate of Housing Benefit for a room (with shared use of a kitchen, living room and bathroom) and not the rate for a self contained dwelling. This means that the amount of Housing Benefit they receive has reduced significantly. A weekly loss of £26.54

(Black Country) or £41.42 in the Birmingham rental area. 369 Walsall benefit claimants now receive housing benefit at these rates.

Housing Benefit claimants affected are:

- single
- aged 25 to 34
- living alone
- renting self contained accommodation from a private landlord, and receiving or about to claim Housing Benefit

Existing Housing Benefit claimants, whose claim commenced before 1 January 2012 may have more time before their benefit changes.

Localised council tax support

The Welfare Reform Act 2012 abolishes the current national council tax benefit scheme from 1st April 2013. Councils are required to design and adopt a new localised support for council tax scheme by 31 January 2013.

The funding gap for the new localised council tax support scheme is around £3.3 million.

In October 2012 the government announced £100 million additional support, for one year; for the local authorities whose council tax support scheme maintains a positive incentive to work. The application process for this support will be announced in January 2013. However, DCLG have confirmed Walsall's allocation, if we are successful, to be £644,950.

Walsall consultation on the council's preferred local scheme is due to close on 12 November 2012.

Social fund - Community Care Grants and Crisis Loans


Community Care Grants and Crisis Loans for general living expenses (including rent in advance) will be abolished from April 2013 and replaced by a new local provision. The new provision will be administered by local authorities in England and the devolved administrations in Scotland and Wales.

Local service provision for Walsall to meet local customer demand is currently being designed.

DWP have recently announced the program funding allocation for Walsall of £1,098,510.

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