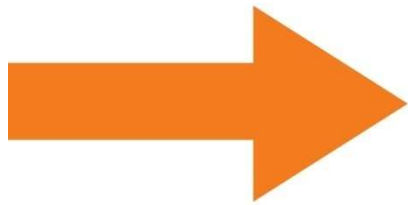


Revenues and Benefits Reforms 2013 - 2017





Progress on the Welfare Reform Bill 2010-12

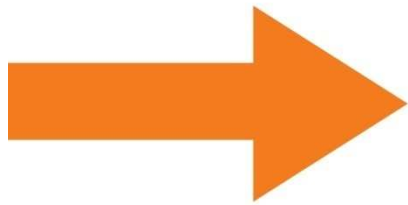
House of Commons

	Stages:	Date:
●	First Reading	16 Feb 2011
●	Second Reading	09 Mar 2011
●	Committee Stage	24 May 2011
●	Report Stage	15 Jun 2011
●	Third Reading	15 Jun 2011

House of Lords

	Stages:	Date:
●	First Reading	16 Jun 2011
●	Second Reading	13 Sep 2011
●	Committee Stage	28 Nov 2011
●	Report Stage	25 Jan 2012
●	Third Reading	31 Jan 2012

'Ping Pong' Completed 29th February 2012 - ● Royal Ascent 08 Mar 2012



Progress on the Local Government Finance Bill 2010-12

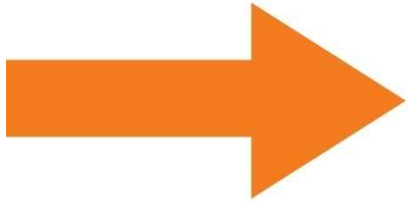
House of Commons

	Stages:	Date:
●	First Reading	19 Dec 2011
●	Second Reading	10 Jan 2012
●	Committee Stage	31 Jan 2012
●	Report Stage	
●	Third Reading	

House of Lords

	Stages:	Date:
	First Reading	
	Second Reading	
	Committee Stage	
	Report Stage	
	Third Reading	

Date of the House of Commons 3rd Reading to be Announced

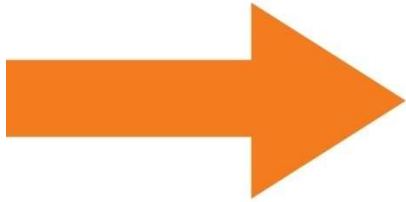


Three Main Strands

- § Benefits Welfare Reform: including –
 - Localised Support for Council Tax
 - Introduction of Universal Credit
 - Working Age Benefit Reforms

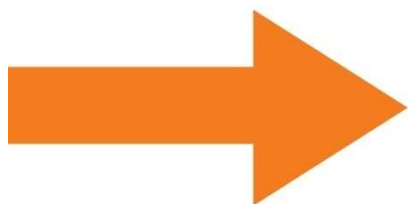
- § Retention of Business Rates

- § Council Tax Discounts and Exemptions



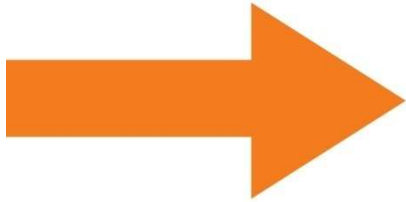
Localised Support for Council Tax

- Council Tax Benefit Abolished 31st March 2013
- Replaced by Localised Support for Council Tax
- Design of Local Scheme to include:
 - 10% saving on 2010/11 overall expenditure
 - Persons of pensionable age protected
 - Duty to define and protect most vulnerable claimants
 - Should underpin the principles of reform and avoid disincentivising people moving into work.



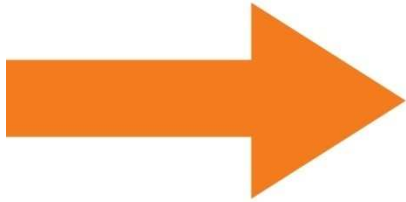
The Financial Effect on Claimants

Pension Age	Working Age
Support will be specified Broadly similar to by CG current values. Same levels of benefit	<u>Vulnerable Groups:</u> Special protection –higher level scheme
	<u>Everyone Else:</u> Bearing full brunt of the reduction Full brunt could average reduction of 17 – 32%



Areas of Risk

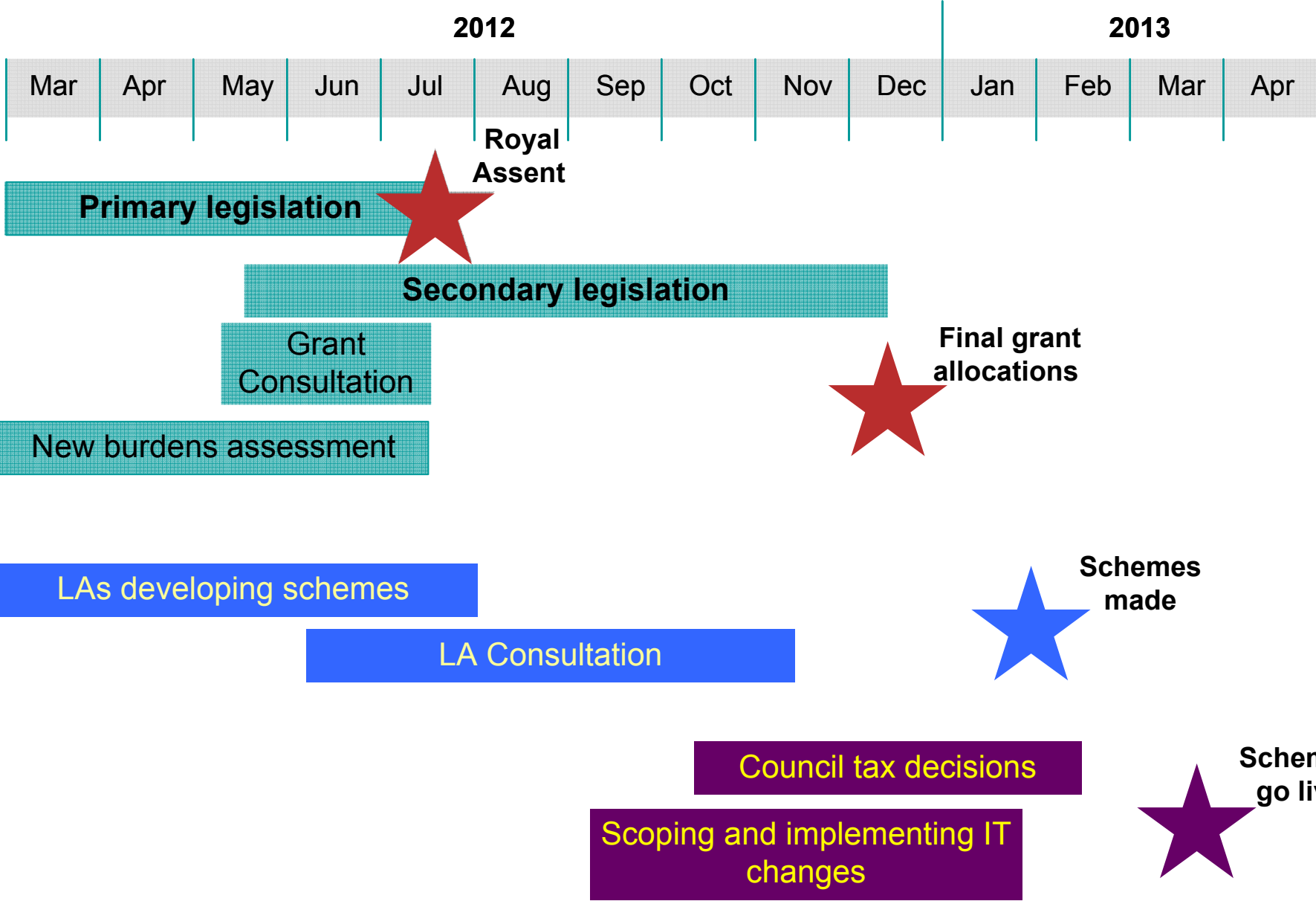
- Financial
- Information Technology & contractual commitments
- Fairness and equality
- Timescales

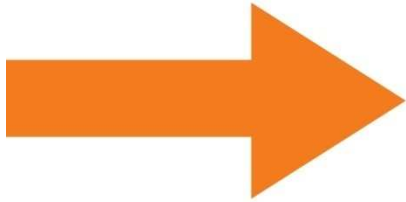


Timescales

- **Spring 2012**
 - Primary legislation in passage through Parliament.
 - Government preparing and publishing draft secondary legislation.
- **Summer 2012**
 - Primary legislation passed.
 - Secondary legislation prepared.
 - Local authorities designing and consulting on local schemes.
- **Autumn/winter 2012-13**
 - Local authorities establishing local schemes – putting in place systems, notifying claimants of changes etc.
 - Local authorities setting budgets.
- **Spring 2013**
 - Local schemes in operation.

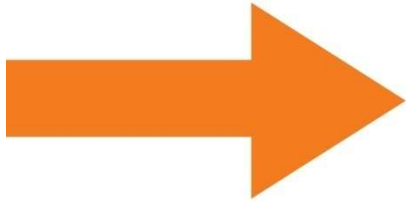
Delivery: the road to implementation





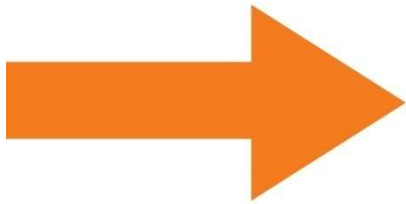
Universal Credit

- Universal Credit will replace:
 - Income Support (including support for mortgage interest)
 - Job Seeker's Allowance (Income Based)
 - Employment and Support Allowance (Income Related)
 - Housing Benefit
 - Child Tax Credit
 - Working Tax Credit
 - Social Fund



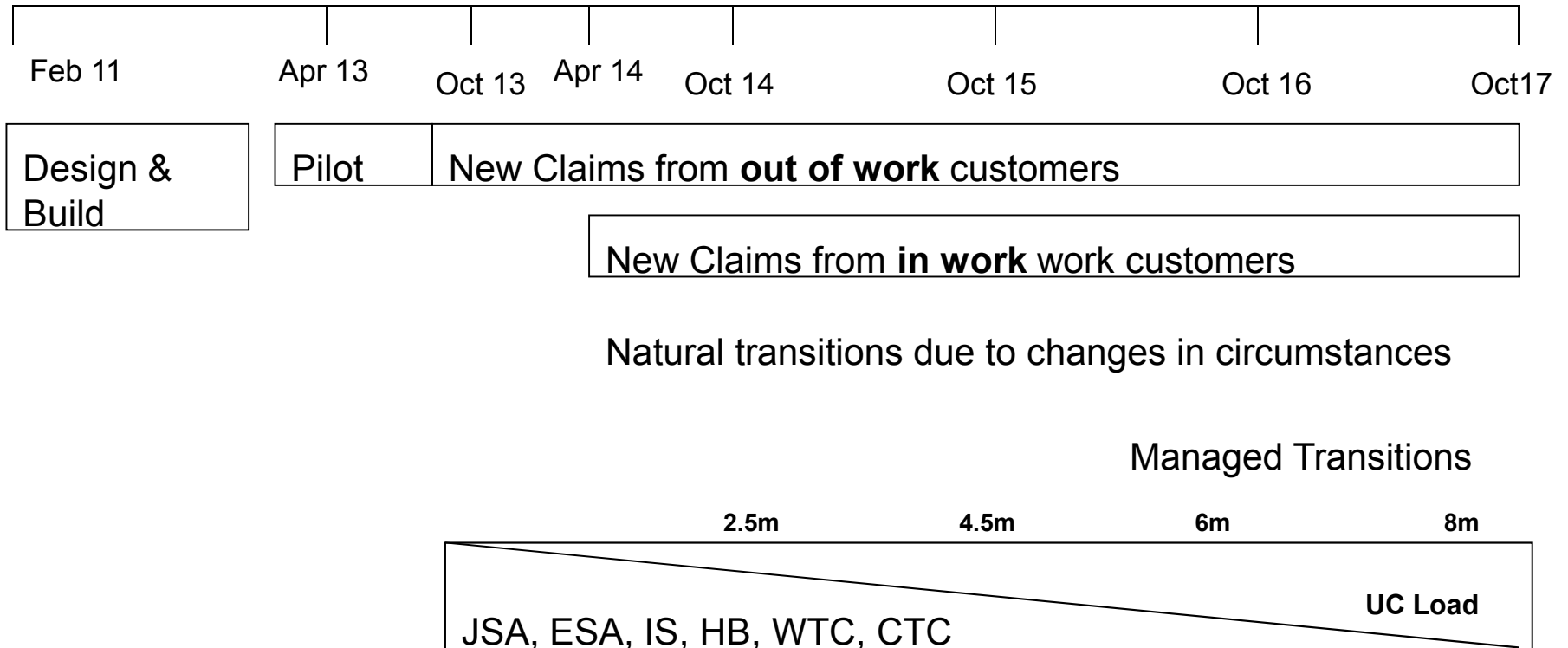
Universal Credit

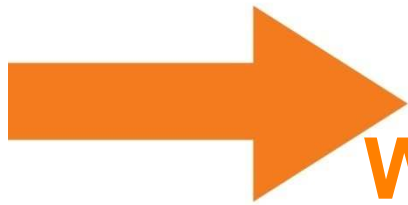
- Universal Credit will not replace:
 - Job Seeker's Allowance (Contributions Based)
 - Employment and Support Allowance (Contributions Related)
Note: Earnings rules aligned for contributory benefits
 - Disability Living Allowance (to be replaced with Personal Independence Payments (PIP))
 - Child Benefit
 - Bereavement Benefits



Implementation Timescale

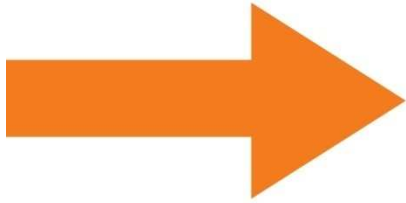
Implementation Timescale





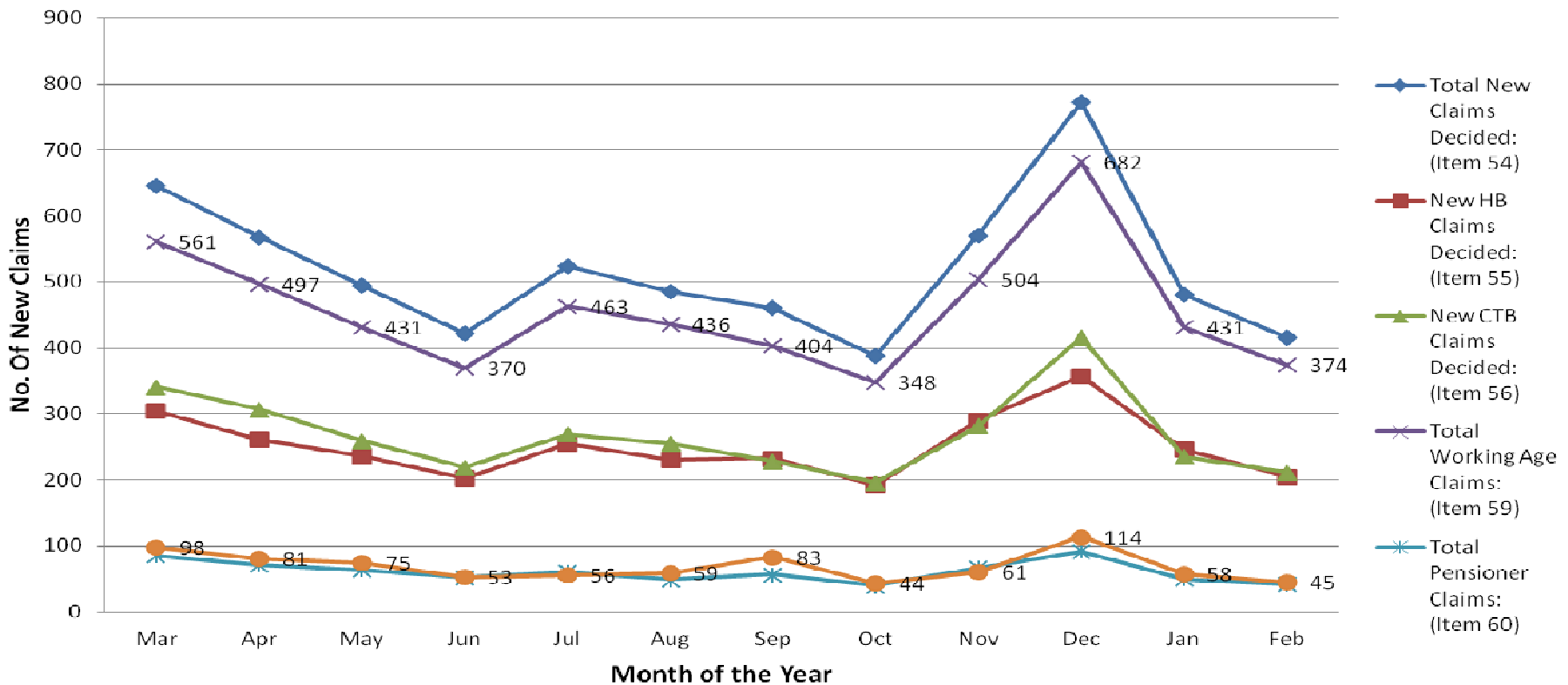
Working Age Benefit Reforms

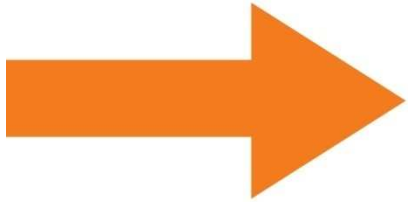
- Key Areas include:
 - Introducing Personal Independence Payments to replace the current Disability Living Allowance
 - Restricting Housing Benefit entitlement for social housing tenants whose accommodation is larger than they need
 - Uprating Local Housing Allowance rates by the Consumer Price Index (rather than Retail Price Index)
 - Amending the forthcoming statutory child maintenance scheme
 - Limiting the payment of contributory Employment and Support Allowance to a 12-month period
 - Capping the total amount of benefit that can be claimed.



Caseload Profile

New Claims 2011/2012 - Carlisle

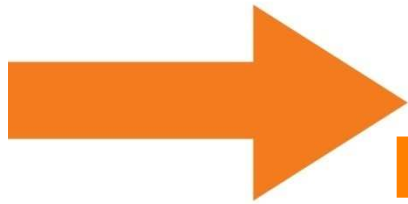




Areas of Risk

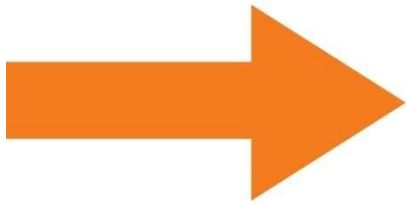
- Financial
- Human Resource Intensive
- Role for District Councils





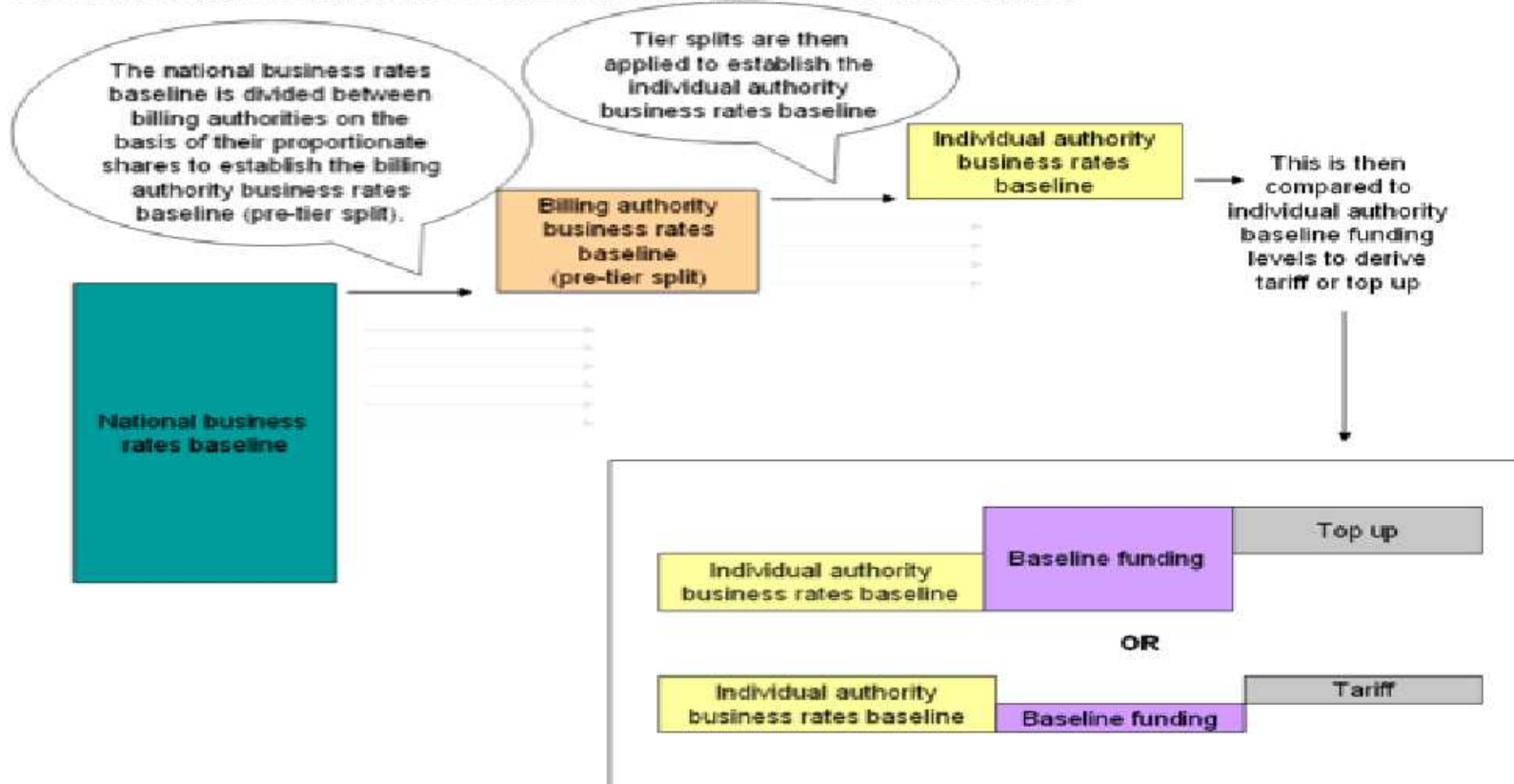
Retention of Business Rates

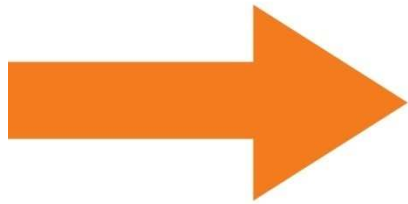
- Seven core components:
 - Ensure a fair starting point for all local authorities
 - A system of tariffs and top-ups
 - Deliver strong growth incentive
 - Include a check on disproportionate benefits
 - Ensure stability in the system
 - Ability to reset in the future to ensure levels of need are met
 - Ability to share the benefits of growth over a wider economic area



Establishing Baselines

Establishing individual authority business rate baselines





Council Tax Discount and Exemption Changes

- Options available are:
 - Increasing the range of discounts relating to 2nd homes
 - Limiting discounts for empty properties.
 - A premium for empty properties.
 - Class A and C exemptions, for vacant dwellings, to be replaced by discount
 - Class L exemption where a Mortgagee is in possession would cease and liability would be payable