

## REPORT OF THE EXECUTIVE MEMBER FOR RESOURCES

### FINANCE

#### Housing Benefit - Changes to single claimants aged 25-35 years

Single claimants aged 25-35 from January 2012 will only be entitled to the shared accommodation rate rather than the one-bedroom self-contained rate. This change will come into effect from a person's claim anniversary date so many individuals may not be affected until much later in the year.

A single person will on average have a reduction of £120 per month in their Housing Benefit due to this change. In Blackburn with Darwen this change affects 368 single people. It is important to realise that this change does not apply to all 25-35 year olds as those in Housing Associations, or previously occupying Hostels for at least 3 months are exempt.

We are helping those affected find alternative accommodation, or consider them for temporary short term financial support via a Discretionary Housing payment. The Government has provided each Council with a small additional amount of money which can be used to make up shortfalls in claimants Housing Benefit but for a very short time.

Of the 368 claimants affected, we have successfully helped 182 with advice and support to find alternative accommodation or to change their circumstances. Of the remaining 186 our priority is to continue to attempt to contact anyone affected during January to March 2012. So far, we have spoken to half of the claimants affected and sent further letters to those individuals we did not have telephone numbers for.

#### Changes to the Local Housing Allowance rates

The Local Housing Allowance (LHA) is the method of working out the maximum Housing Benefit a private tenant could receive. From 1<sup>st</sup> April 2011, the Government announced that the rates would only now be calculated on the bottom 30<sup>th</sup> percentile of the rental market.

A nine month transitional period has now ended and as with the 25-35 year olds, the change will come into effect from a person's claim anniversary date.

For those claimants whose rent is higher than the new lower rate there will be a shortfall in their Housing Benefit. There are just over 1,353 Housing Benefit claims affected by this change, however the potential shortfall can be as low as £0.50 or as high as £20 per week. It is worth remembering that the Local Housing Allowance does not apply to Housing Associations properties or those whose tenancies started before 1989.

Again we will try to help those affected find alternative accommodation, or consider them for some temporary financial support via a Discretionary Housing payment. Of the total claims affected, 808 are affected by £3 per week or less. We have advised all these claimants to try to negotiate a

reduced rent with the Landlord (if this is done we will be able to pay the Landlord direct).

A further 545 claims are affected by over £3 per week; again we have repeatedly attempted to contact anyone affected by telephone or letter within January to March 2012. When we are aware of a persons circumstances we are then able to determine if they are eligible for a Discretionary Housing Payment.

## **HR & LEGAL**

### **Pension's Update**

A 'final offer' on pension reform has been made to public sector unions. A government statement sets out that heads of agreement have been established with most unions in the local government, health, civil service and teacher's pension schemes.

Those unions have made a commitment to suspend any further industrial action while the finer details are resolved and unions consult their national executives and memberships.

If these negotiations progress then this will mean there will not be rises in employee contribution rates in April 2012 – as was previously planned. In terms of the next steps, representatives from the LGA and the Trade Union Congress (TUC) are set to meet each week for the following 12 weeks in order to agree and to cost a new scheme by April 2012, planned to come into effect in 2014.

## **IT**

IT continue to improve the ICT infrastructure in line with agreed plans. The new data centre is now operational and 30% of services have been transferred to the new environment. Work will continue through the remainder of this year and into 2013 with the focus shifting to the network: providing faster speeds; wireless access in some buildings; better mobile working capabilities and improving overall resilience.

The project to improve the Council's Internet website is well underway and a new website should be operational in the next few months. This will improve the reliability of the website and make it easier for people to find information. Further web improvements, including increased transactional capabilities and a new Intranet will follow.

## **TRANSFORMATION**

Following Policy Council in December, the Transformation Programme has adopted the following strap-line: A 'Co-operative Council' - partnering, supporting and working together to deliver the best service we can. This is underpinned by a number of design principles that are to be adopted when approaching any future change. The Transformation Team will be supporting departments in line with this approach as well as overseeing a programme of change projects that will cut across the whole organisation.