

Potential new burdens and pressures arising from Welfare Reform Bill

1. Direct operational consequences:
 - 1.1 Costs of delivering the new localised support for council tax and of administering and supporting people in need from a new localised welfare assistance budget replacing crisis loans and community care grants.
 - 1.2 The procurement and maintenance of IT systems to deliver the new localised council tax support arrangements and the application of the benefits cap through Housing Benefit. Expansion of the People's Network in libraries and elsewhere to enable on-line benefit applications.
 - 1.3 Redundancy/pension strain costs from running down benefits teams and possible legal costs if staff challenge a lack of TUPE opportunities to Job Centre Plus delivery units.
2. Potential transfers of cost pressures from central government:
 - 2.1 Costs resulting from the inability of councils to deliver the 10% savings expected from the localised support for council tax, through being unable to achieve full approval for their localised plans by 31 Jan 2013, due to CLG's inability to deliver timely and appropriate guidance.
 - 2.2 Pressures from delivering demand led support for council tax and welfare assistance from capped non ring fenced grants.
 - 2.3 Scrapping of full costs of specialist housing support in HB and passing assessment of additional costs for people with special housing needs to councils.
3. Indirect consequences
 - 3.1 Costs of administering benefits for displaced families in receiving councils; providing temporary and Bed & Breakfast accommodation for people forced to move from accommodation that is no longer affordable; recovering increases in rent and council tax arrears; and providing advocacy/support/training to help people understand and deal with the new processes surrounding welfare application, support and payment arrangements.

Item 5
Appendix B

- 3.2 Pressures on social care and educational budgets in councils experiencing an influx of displaced people in receipt of benefits.
- 3.3 Possible need to build reserves to cover risks associated with the implementation of the Bill.
- 3.4 Defence of legal challenges around a perceived unfairness of variations in localised support for council tax.

Note:

It should be borne in mind that this list represents a worst case scenario. It is to be hoped that by mitigating as many as possible of the identified risks and reducing their impact the potential costs to councils will be significantly reduced.