

## ANGLIA REVENUES PARTNERSHIP

**Report of** Adrian Mills – ARP Strategic Manager (Benefits)

**To:** ARP Joint Committee, 7<sup>th</sup> December 2015

**Subject:** Welfare Reform

**Purpose:** To provide an update on welfare reform

### Recommendation(s):

- That the report is noted

## 1. INTRODUCTION

### 1.1 Background

Welfare Reform was introduced by the previous Government as part of wider fiscal measures to reduce deficits, intended to encourage work whilst reducing increasing welfare expenditure.

### 1.2 Matters of interest

#### 1.2.1 Universal Credit

- At the time of writing no further announcements have been made regarding the national roll out of Universal Credit. Five ARP Councils, Breckland, Forest Heath, St Edmundsbury, Suffolk Coastal & Waveney have been live with Universal Credit for new claims from single working customers since Spring 2015. Dates are now set for East Cambridgeshire, 29 February 2016 and Fenland, 14 March 2016; implementation meetings have been held with DWP.
- The number of customers affected continues to be lower than those forecast, whilst Council's receive funding to provide services in partnership with the DWP.
- Current indications are unclear regarding further expansion of client groups for new claims to Universal Credit, as well as the migration of existing cases, whilst the position for Pensioners remains uncertain. Further announcements might be forthcoming in the Government's Autumn Statement.

#### 1.2.2 Discretionary Housing Payment

- spend continues to be on track to meet the levels of DWP grant, main areas of expenditure continue to assist people with rent shortfalls, mainly due to restrictions on Housing Benefit rent levels.
- Discretionary Housing Payment grant is funded by DWP, designed to help customers remain in their homes or to move to affordable and sustainable accommodation.

#### 1.2.3 Tax Credit changes announced in the Budget

- At the time of writing the Government's position on reducing Tax Credits from April 2016 is unclear. The Chancellor has said, following the recent House of Lords debates, he will review the reductions and offer transitional protection.
- It remains uncertain as to when changes will occur and to whom they will effect, and to the extent of any transitional protection or staggered implementation.
- Whilst Housing Benefit recipients will see any reductions in Tax Credits offset by a corresponding increase in their Housing Benefit entitlement, their Council Tax Support could increase.

- Further announcements are expected in the Autumn Statement.
- For information, Tax credits are designed to help low-paid families. There are two types: Working Tax Credit (WTC) for those in work, and Child Tax Credit (CTC) for those with children.
- Under the government's original proposals, the income threshold for Working Tax Credits - £6,420 - will be cut to £3,850 a year from April. In other words, as soon as someone earns £3,850, they will see their payments reduced.
- The income threshold for those only claiming CTCs will be cut from £16,105 to £12,125. Currently, for every £1 claimants earn above these thresholds, they lose 41p, from April the taper rate will increase to 48p.

### **1.3 Options**

The report is for information purposes

### **1.4 Reasons for recommendations**

The report is for information only

## **2. IMPLICATIONS**

### **2.1 Risk**

The report is for information only

### **2.2 Financial**

The report is for information only

### **2.3 Legal**

The report is for information only

### **2.4 Equality and Diversity**

Not applicable.

Background papers:- None

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