

ANGLIA REVENUES PARTNERSHIP

Report of Adrian Mills – ARP Strategic Manager (Benefits)

To: ARP Joint Committee, 20th September 2016

Subject: Welfare Reform

Purpose: To provide an update on welfare reform

Recommendation(s):

- That the report is noted

1.0 INTRODUCTION

1.1 Background

1.1.1 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.

2.0 Matters of interest

2.1 Universal Credit

2.1.1 East Cambridgeshire went live with Universal Credit with new claims from single unemployed customers on the 29 February 2016, Fenland on the 14 March 2016, joining Breckland, Forest Heath, St Edmundsbury, Suffolk Coastal & Waveney who have been live with such claims since Spring 2015.

2.1.2 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.

2.1.3 Since May 2016 the DWP embarked upon a programme to expand Universal Credit to the full, digital, Universal Credit service in 2016. Amongst the partner Councils, only Waveney had been named to go live with the full service in May 2016.

2.1.4 The full Universal Credit service will be open to all new claims from all working age claimant groups. This will also include customers currently receiving existing Benefits or Tax Credits and has a change of circumstances that would trigger a new claim to UC. DWP announced in July further sites to go live up to March 2017 to the full service, none of the partner Councils were included, with the programme for 2017/18 to be released in November.

2.1.5 The programme to migrate existing Housing Benefit (and other DWP Benefit and Tax Credits) cases, has been delayed by twelve months and so will now commence in July 2019 with a corresponding delay of the end date to March 2022.

2.1.6 DWP have also reviewed the position for Pensioners, stating this will be reviewed during the next Parliament and will not start until after March 2022 when all Working Age cases have migrated to Universal Credit.

2.2 Discretionary Housing Payment

- 2.2.1** Spend continues to be within DWP grant. The main area of expenditure continues to be to assist customers with rent shortfalls, in particular due to restrictions on Housing Benefit rent levels. The scheme is promoted through our stakeholder contacts.
- 2.2.2** Discretionary Housing Payment grant is funded by DWP, designed to help customers remain in their homes or to move to affordable and sustainable accommodation.

2.3 Benefit Cap

- 2.3.1** DWP had announced the reduced Benefit Cap will start to be implemented from Autumn 2016 and that they will write to affected customers in the Spring, offering a range of support, including help to find work.
- 2.3.2** The maximum family income before the Benefit Cap applies will reduce from £26,000 to £20,000 (£13,400 for single adults with no children). In July the DWP confirmed the reductions will commence 7 November with a rollout programme per Local Authority to be announced.
- 2.3.3** Local Authorities are dependent upon the DWP advising Benefits Services which customers are affected (called scans), when and by how much. The DWP issued scans in May detailing those customers likely to see a reduction or, further reduction in benefit from the Autumn
- 2.3.4** The number potentially affected ranges from 67 to 192 for partner Councils, including between 2 and 18 existing cases who will see a further reduction. We have shared information with colleagues in Customer Service and Housing Options teams to seek to avoid homelessness and the cost of temporary housing, and have informed landlords and stakeholders. A final scan is expected before go live dates are released for each Council.
- 2.3.5** DWP have said New Burdens funding will be issued to assist Councils with extra administrative costs.

2.4 Social rented sector rent restrictions

- 2.4.1** Government have announced that new social sector tenancies entered into after April 2016, will, after April 2018 have their Housing Benefit subject to and restricted to the local housing allowance (LHA), which is the level of rent set in the private sector.
- 2.4.2** Whilst we await detail on the rates that will apply, and confirmation of any excluded groups, we will work with colleagues in Housing and Customer Services to understand the impact, levels of reductions, and possible assistance from the Discretionary Hardship fund.

3.0 Options

- 3.1** The report is for information purposes

4.0 Reasons for recommendations

- 4.1** The report is for information only

5.0 IMPLICATIONS

5.1 Risk

The report is for information only

5.2 Financial

The report is for information only

5.3 Legal

The report is for information only

5.4 Equality and Diversity

Not applicable.

Background papers:- None

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