

ANGLIA REVENUES PARTNERSHIP

Report of Adrian Mills – ARP Strategic Manager (Benefits)

To: ARP Joint Committee, 6th December 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 All Councils have been live with new claims from single unemployed customers since April 2016.

2.1.2 In respect of Universal Credit for these customers the numbers 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 in a controlled manner to the full, digital, Universal Credit service. Amongst the partner Councils, only Waveney has been live with the full service since May 2016.

2.1.4 On 16 November 2016 the DWP announced the roll out schedule for all Jobcentres and Councils for the period April 2017 to September 2018. 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 who have a change of circumstances that triggers a new claim to Universal Credit. The following table states the DWPs current planning assumptions for ARP Councils:

Council	Roll out
St Edmundsbury	October 2017
Waveney (Beccles)	October 2017
Breckland	March 2018
East Cambridgeshire	May 2018
Fenland	May 2018
Suffolk Coastal	June 2018
Forest Heath	September 2018

- 2.1.5** Councils will not know the impact upon the Housing Benefit Administration grant from 2017/18 onwards until Government provides figures, expected December 2017.
- 2.1.6** Waveney has not been alone in experiencing difficulties with the Full Service; customer assistance taking longer than predicted, IT problems, delays awarding payments and alternative payment arrangements to landlords are causing issues with rent collection for landlords. These matters have been raised locally and through the UC/LA Steering group I have brought these issues to attention of the UC Programme; to date a response has not been received.
- 2.1.7** ARP will work with Customer Services and Housing Options teams to plan for the roll out timetable.
- 2.1.8** 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 delayed completion date of March 2022.
- 2.1.9** 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, and only 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 introduced the reduced Benefit Cap on the 7th November 2016 writing 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).
- 2.3.3** Local Authorities received scans detailing customers likely to be affected; these have been filtered to remove customers exempt from the CAP, including new rules for customers receiving Carers or Guardians Allowance. The scans advise LAs of the level of the Cap to apply and the effective date.
- 2.3.4** The number of our customers now affected is up to 156, less than originally forecast for partner Councils, with up to 17 existing cases seeing a further reduction. This information was shared with colleagues in Customer Service and Housing Options teams to seek to avoid homelessness and the cost of temporary housing, and we have informed landlords and stakeholders.
- 2.3.5** DWP have provided New Burdens funding to assist Councils with extra administrative costs and have increased Discretionary Housing Payment grants to help customers with the reduction – it should be noted the increase does not cover all the reductions.
- 2.3.6** For information, I have prepared a Member briefing note to explain the change and to provide, for each Council, the actual numbers of affected customers, as well as the close working ARP continues to do with Housing Teams, landlords and stakeholder groups in order to assist our customers with this significant change.

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

Lead Contact Officer

Name/Post: Adrian Mills – Strategic Manager (Benefits)

Email: Adrian.mills@angliarevenues.gov.uk