

## ANGLIA REVENUES PARTNERSHIP

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

**To:** ARP Joint Committee, 26<sup>th</sup> September 2017

**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 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.
- 2.1.6 These matters have been raised locally and through the UC/LA Steering group I have brought these issues to the attention of the UC Programme; furthermore representations have been made to the DWP Secretary of State leading to a meeting earlier this year between the Waveney Leader, local MP and myself with the UC Minister at Lowestoft Jobcentre.
- 2.1.7 ARP is working with Customer Services, Housing Options teams, DWP and stakeholders to plan for the roll out timetable; partnership working is at an advanced stage for St Edmundsbury's UC expansion October 2017.
- 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 and is forecast to be closer to, but within the 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 7<sup>th</sup> November 2016; the maximum family income before the Benefit Cap applies reduced from £26,000 to £20,000 (£13,400 for single adults with no children).
- 2.3.2 The Benefit Service continues to work with colleagues in Customer Service and Housing Options teams to seek to avoid homelessness and the cost of temporary housing.
- 2.3.3 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.

## **2.4 Two Child Limit**

- 2.4.1 From April 2017 the DWP have introduced legislation to restrict new claims from families with a third child to the two child rate; there are exceptions, for example multiple births.
- 2.4.2 New claims for Universal Credit where an applicant has more than two children will be redirected to legacy Benefits i.e. Housing Benefit.

## **2.5 Social rented sector rent restrictions**

**2.5.1** Local Housing Allowance- (LHA) rates in social housing – the implementation of a Cap on Housing Benefit and LHA rates in the social rented sector has been delayed by 1 year, to April 2019.

**2.5.2** The cap will apply to all supported housing tenancies from April 2019, with Government providing additional funding to Local Authorities, so that they can meet the additional costs of supported housing in their area.

**2.5.3** For general needs, the cap will now apply from April 2019 for all tenants on Universal Credit, and to Housing Benefit tenants whose tenancies began or were renewed since April 2016. For information, LHA rates determine the level of Housing Benefit and Universal Credit for private sector rents.

## **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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### **Lead Contact Officer**

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

Email: [Adrian.mills@angliarevenues.gov.uk](mailto:Adrian.mills@angliarevenues.gov.uk)