

## ANGLIA REVENUES PARTNERSHIP

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

**To:** ARP Joint Committee, 5<sup>th</sup> December 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 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, Waveney has been live with the full service since May 2016, with St Edmundsbury recently going live in October 2017.

2.1.3 In September 2017 the DWP confirmed the roll out schedule for all Jobcentres and Councils for the period October 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
Breckland	March 2018
East Cambridgeshire	May 2018
Fenland	May 2018
Suffolk Coastal	June 2018
Forest Heath	September 2018

We have become aware other Jobcentres rolling out the full UC service are and will impact upon some of our customers in certain post codes – we are working with the Jobcentre and those customers affected to provide assistance and guidance.

2.1.4 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.

**2.1.5** 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.

**2.1.6** ARP continues to work with Customer Services, Housing Options teams, DWP and stakeholders to plan for the roll out timetable. A significant amount of investment in partnership working was undertaken at Waveney between the ARP, Customer Services, the DWP and stakeholders to plan for and minimise the impact of UC. This has become a template for partner Councils; working with St Edmundsbury we have replicated the good practice and lessons learnt at Waveney to plan and implement go during October and will do the same for other partner Councils as we move into 2018.

**2.1.7** 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.

**2.1.8** DWP have also reviewed the position for Pensioners, stating this will 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.

**2.1.9** Parliament recently debated UC - the Public Accounts Committee produced a report 'UC: the six week wait'. It includes a recommendation to reduce the waiting time to one month.

**2.1.10** At a national level I continue to raise concerns with

- The six week wait for UC payments
- Alternative Payment Arrangements for Private Landlords
- Temporary Accommodation
- Housing Benefit Debt
- Public awareness
- LA funding
- Management Information
- LA access to UC Information

**2.1.11** Working with Customer Services we have introduced the following enhancements:

- Dedicated vulnerable persons Officer
- Delivered training to Jobcentre Work Coaches
- Reviewed the DWP UC training pack – implemented nationally by DWP
- Created a Private Landlords information pack

## **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** Government has responded to consultation on funding for supported housing in which it has indicated it will not implement Local Housing Allowance (LHA) rates in social housing; further proposals include:
- Short-term supported accommodation will be funded via grant to Upper Tier Councils - no longer funded through Housing Benefit
  - Long-term supported accommodation will be funded as now – via the welfare system.
  - There will be a new ‘Sheltered rent’ – for which gross eligible rent (inclusive of service charges) will be regulated by the social housing regulator. Assistance in this type of accommodation will continue to be paid via the welfare system. ‘Sheltered rent’ will be subject to a cap, the calculation of which maintains a link to formula rent
  - A local strategic plan will be needed by Upper Tier Councils, setting out how funding will be used to meet identified local need
  - There will be a National Statement of Expectation for supported housing funding
  - April 2020 is indicated as the implementation date.

## **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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