

## ANGLIA REVENUES PARTNERSHIP

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

**To:** ARP Joint Committee, 26<sup>th</sup> June 2018

**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 Government in 2012 as part of wider fiscal measures to reduce deficits, with the intention 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 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. Government Budget announcement December 2017 put back the schedule by a further three months. 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 - Dereham	June 2018
Breckland - Thetford	September 2018
East Cambridgeshire	September 2018
Fenland	September 2018
Suffolk Coastal	October 2018
Forest Heath	December 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** Further Government Budget announcements included the following improvements:
- Live Service closure 1<sup>st</sup> January 2018
  - Removal of seven waiting days prior to claim start date from 14<sup>th</sup> February 2018
  - Claims from the 14<sup>th</sup> February 2018 will now usually be paid in one month and seven days, rather than one month and 14 days
  - Claimants can request a 100% advance payment, increased from 50% from the 14<sup>th</sup> February 2018
  - Temporary accommodation cases to be assessed in Housing Benefit from April 2018. Whilst this applies to new claims, existing cases will only migrate to Housing Benefit following specified change events.
  - Extra two weeks Housing Benefit to be automatically awarded from April 2018 when UC is claimed
  - Improvements to process for private landlords to request an Alternative Payment Arrangement (direct payment to landlord)
- 2.1.5** Waveney, St Edmundsbury and now Breckland have 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 continue to cause 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 last year between the Waveney Leader, local MP and myself with the UC Minister at Lowestoft Jobcentre. The Waveney MP continues to be actively involved in Parliamentary debates on UC, supported by the Head of Customer Services and myself.
- 2.1.7** 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 our template for partner Councils, successfully used with St Edmundsbury at the end of last year, and will be replicated for all other partner Councils as the roll out schedule continues throughout 2018. Implementation meetings have taken place with Breckland and Fenland Councils and are planned for remaining Councils soon to roll out.
- 2.1.8** The programme to migrate existing Housing Benefit (and other DWP Benefit and Tax Credits) cases, has been delayed by twelve months so will now commence in July 2019, and announced on the 6<sup>th</sup> June 2018 that the completion date has been extended by a further 12 months to March 2023.
- 2.1.9** DWP have not made any further announcements regarding Housing Benefit for Pensioners. The DWP position continues to be that this will be reviewed during the next Parliament and will not start until after March 2023, and only when all Working Age cases have migrated to Universal Credit.
- 2.1.10** At a national level I continue to raise concerns with
- The six (now five) week wait for UC payments
  - Alternative Payment Arrangements for Private Landlords
  - Housing Benefit Debt
  - Public awareness
  - LA funding
  - Management Information
  - LA access to UC Information
  - Plans to migrate existing customers to UC – indications are there will not be any automatic uplift of data
- 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

#### **2.1.12 DWP UC announcement 6<sup>th</sup> June 2018**

#### **2.1.13 DWP published their UC Business case and the following improvements due Autumn:**

- Claimants in receipt of Severe Disability Benefit will remain on legacy Benefits for transitional protection to be awarded – customers have been missing out on up to £62 per week
- Strengthening work incentives for parents by protecting child care costs
- Ensuring short term increases in earnings do not disadvantage customers
- The managed migration end date has been extended by 12 months to March 2023 – still planned to commence July 2019
- DWP will then review Pensioner Housing Benefit and stated Councils can expect to deliver Pensioner HB beyond 2023

### **2.2 Discretionary Housing Payment**

**2.2.1** Spend continues to be within DWP grant and is forecast to be 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. Generally the allocations for 2018/19 have been reduced.

### **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. Transitional protection applies to existing claims.

**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. There remains concerns as to how this will operate in practice.

- 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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