

Impact of Welfare Reform

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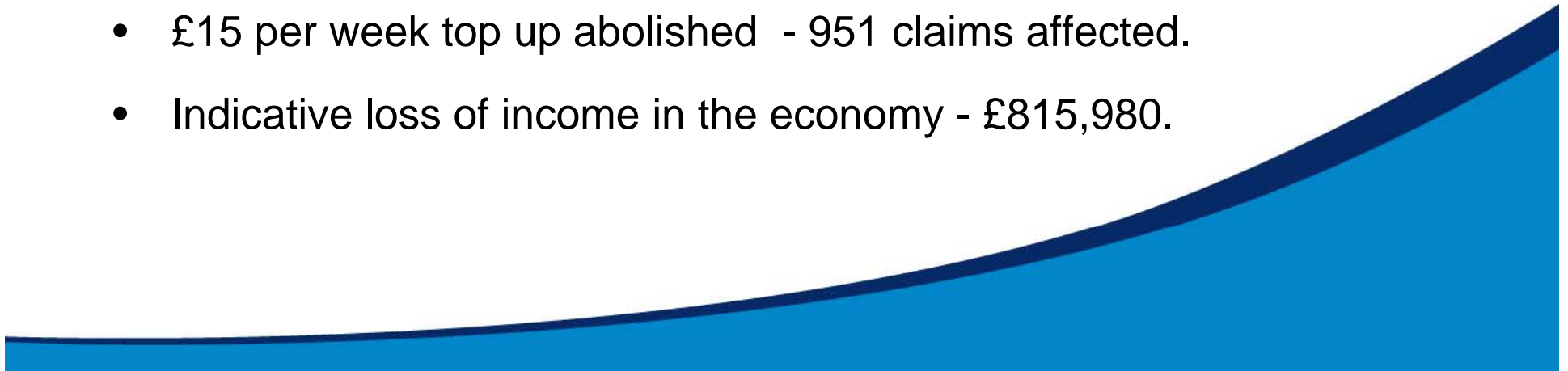
Group Manager

Customer Care and Involvement



April 2011

- Local Housing Allowance rates capped for 1, 2, 3 and 4 bedroom homes— 3,633 people receive LHA.
- 5 bedroom rate scrapped - 20 claims affected (69.24 per week).
- Shropshire weekly rates at November 2011:
 - £86.54 one bedroom
 - £107.31 two bedrooms
 - £126.92 three bedrooms
 - £161.54 four bedrooms
- £15 per week top up abolished - 951 claims affected.
- Indicative loss of income in the economy - £815,980.



April 2011

- Non-dependant deductions - large increases over next 3 years to make up ground since last increase 10 years ago.
- Expected 30% increase year on year.
- Example – highest deduction increased from £47.75 to £60.60 per week.
- 1,384 claims affected.
- Indicative loss of income to the economy - £927,280.



April 2011

- Local Housing Allowance Rates will be set at the 30th percentile of local private rent prices, not the 50th.
- Impact - Only 3rd (instead of 1/2) of available private rented housing locally will potentially be affordable to HB claimants (3633).




April 2011

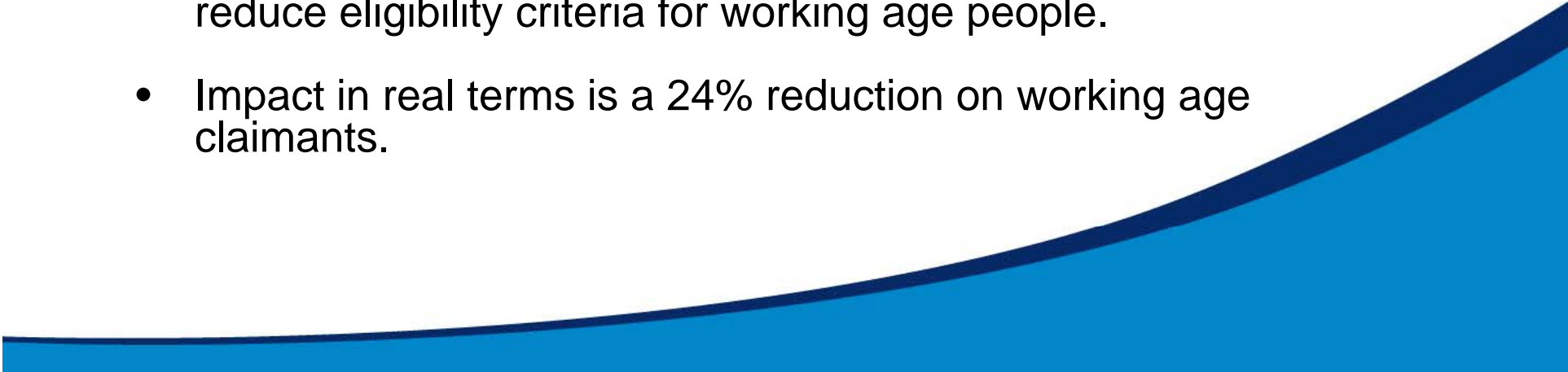
- Increase in Discretionary Housing Payment (DHP) nationally by £10 million to help the most vulnerable.
- Shropshire 2010/11 £50,667
 2011/12 £56,983
- Will be allowed to roll over unspent amount to 2012/2013.



January 2012

- LHA single room rent restriction for people under 25 extended to people aged under 35 from 01 January 2012.
 - 423 immediately affected in Shropshire with 2000 having the potential to fall under these rules.
 - The reduction in benefit for these 423 claimants is £30.47 per week.
 - Housing impact?
 - Indicative loss of income into the economy – £672,020.
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April 2013


- Hand over of responsibility for CTB scheme to local authorities within a 10% reduced budget.
 - Caseload 25,229 of which 23,772 claim CTB.
 - Expectation that we protect the vulnerable and pensioners (58.8% of our caseload).
 - £20,024,267 currently spent on CTB.
 - £2,002,428 needed to continue with current arrangements or we reduce eligibility criteria for working age people.
 - Impact in real terms is a 24% reduction on working age claimants.
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April 2013

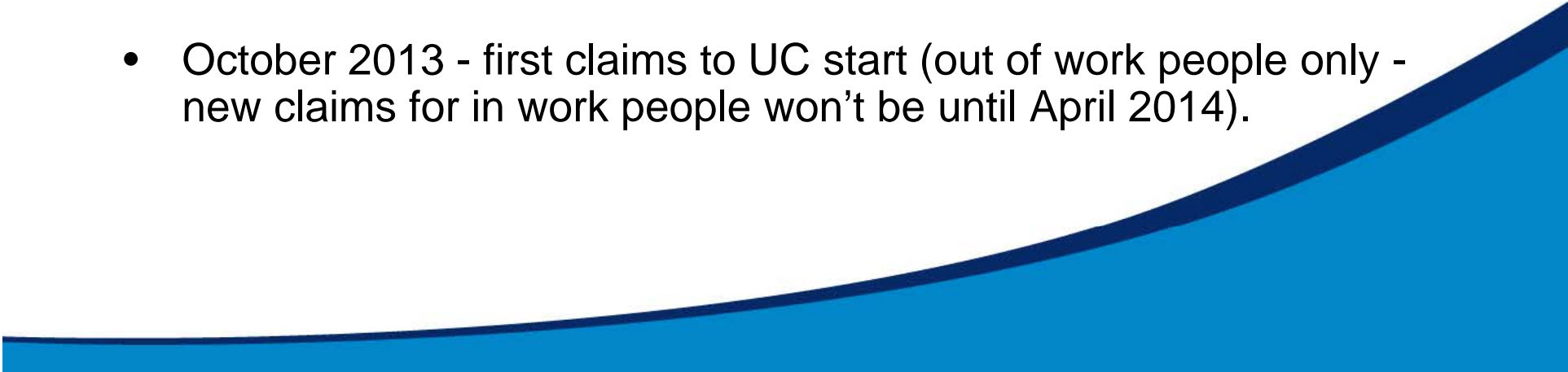
- Single fraud service – consultation on-going.
- Potential transfer of crisis loan and community care grant administration from the DWP to the Council. Links can be made with Housing Options service to identify those requiring support, although many solutions which now link to Housing Benefit will require fast track support via Universal Credit.
- Household benefit cap – so that no family can receive more in benefits than working households - £500 couple, £350 single person - 309 claims affected. Some individuals capped by more than £250 per week.



Universal Credit

- Designed to make work pay as people progress into work and cover a range of needs for people out of work.
 - It will replace: WTC, CTC, HB, IS, JSA(ib) and ESA(ib).
 - New claims from October 2013 with full transfer expected by 2017.
 - Delivered by the DWP.
 - Applied for online or over the phone.
 - Local involvement?
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Time table for UC

- June 2011 - first design phase.
 - September 2011 - second design phase.
 - January 2012 - third design phase.
 - March 2012 - royal assent.
 - April 2012 - fourth design phase.
 - April 2013 - pilot commences.
 - October 2013 - first claims to UC start (out of work people only - new claims for in work people won't be until April 2014).
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October 2014

- Changes to Pension Credit:
 - support for eligible rent as a new addition called 'Housing Credit'.
 - support for dependants via an extra amount in guarantee credit.
- These cases will move over via managed migration from October 2014 and be completed by October 2017.



Benefit levels for social housing

- Size criteria will be introduced for social housing for working age customers.
- Initial estimates are that 993 claims will be affected.
- 15% and 25% withdrawal rate for over occupancy.
- Payment of benefit to customers.



Impact

- More rent and Council Tax to collect.
 - Resource implications for council. £2M loss of Admin Grant, £2M reduction in Council Tax Benefit.
 - Loss of Benefit jobs locally.
 - Inability to pay bills.
 - Increase demand in debt advice.
 - Overcrowding or tenants in cheaper poor quality housing.
 - Landlords less willing to take HB customers.
 - Greater demand on Housing Options.
 - Local economy impacted by over £6.3M
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