

Welfare Reform

An Update!

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North Warwickshire
Borough Council

Wraparound Project - Welfare Reforms Timetable

2011 - LHA

New LHA caps: based on number of bedrooms the household qualifies for, caps are £250 for a one bedroom up to a maximum £400 for a 4 bed property.

LHA rates based on cheapest 30% of properties in an area, rather than cheapest 50%

Non-dependents: LHA may be reduced if you share your home with non-dependent adults.

Work Programme introduced with increased conditionality for JSA claimants.

JANUARY 2012

Shared Accommodation Rate: age threshold raised to under 35 years; exemption to age extension for ex-offenders under MAPPA and people who have lived in hostels for three months +

APRIL 2013

Discretionary Social Fund (Crisis Loans and Community Care Grants) ends and budget goes to Local Authorities as 'Local Welfare Assistance'. LA's will then deliver support to vulnerable people in the way they deem most appropriate to meet local needs.

Total Benefit Cap £500 per week for families and £350 per week for single people with no dependents, won't include households with a DLA claimant, ESA full support group, war widow or Working Tax Credits claimant.

Council Tax Benefit replaced by localised support for council tax, overall budget cut, likely people will now need to pay part of council tax bill, won't apply to pensioners
DLA phased out, Personal Independence Payment (PIP) starts with a new application and assessment, and re-assessment of all working age claimants over next couple of years.

HB size criteria under-occupancy measures in social housing applied, 14% cut in HB if one room spare, 25% if two or more rooms spare.

LHA Uprating by CPI and not by market rents in each area

Tax Credits income increase of £5K or more will be taken into account in finalising award

Universal Credit Pathfinders: launched with a six-month run to test the system From **April 2013**

APRIL 2012

Benefits uprated for 2012 – 2013 by CPI of Sept 2011

Crisis Loans: max rate for single non-householder is 30%, max rate for householders and people not in accommodation 60% of personal benefit
Discretionary Housing Payments: more funding will be made available each year until April 2014.

Working Tax Credits: changes include no revision of claim if income falls by up to £2500 during claim year. Couples with children must work 24 hours a week between them, with one working at least 16 hours a week in order to qualify for WTC.

MAY 2012

Income Support: lone parents moved onto JSA when youngest reaches 5

Contributory ESA: WRAG claims limited to one year.

Contributory ESA in youth abolished; existing claimants limited to one year

OCTOBER 2013

Universal Credit: new claimants and existing claimants who have a major change in circumstances; expected that most households actively seeking work will be on UC by April 2014 and everyone else by end of 2017.

JANUARY 2013

Child Benefit: CB tapered where one person in household earns £50K or more

Housing Benefit Changes - Under Occupation

Under Occupation Tax - Social Sector Housing

- Will be introduced April 2013 for new and existing working age Housing Benefit claimants living in the Social sector (Council Tenants and those renting from a Housing Association)
 - Agreed proposals are:
 - One bedroom for each person or couple living as part of the household with the following exception
 - Child aged 15 or under would be expected to share with one other child of the same gender
 - Child aged 9 or under would be expected to share with one child aged 9 or under, regardless of gender

Impact in NWBC

- 280 Council Tenants affected
 - 200 will lose 14% and 80 will lose 25% of current HB award
- 180 HA tenants affected
- Weekly loss estimated at £4,544 or nearly £250k pa in extra rent to collect
 - Tenants choices are limited:
 - Stay put and find shortfall!
 - Move to small property – 4 have successfully downsized already
 - Vacate and move to PRS – however PRS rents are on average a minimum of 20% higher and more in larger houses – no real option!
 - Seek a mutual exchange – 2 have moved though this already
 - Rent out a room



Council Tax Support Scheme – The Changes

- Move away from the current 'national' scheme of Council Tax Benefit
 - Local Scheme to be devised by each council or group of councils
 - NWBC is a cut of 8.5% = approx £8 to £10 per month
- To be implemented from **1st April 2013**
 - Public Consultation period ended Oct 12
 - Agreed by Full Council – December 12
- Overall funding from central government to be reduced by 10% (subject to consultation which suggests cuts may be greater in real terms)
- Pensioners are a protected group and only applies to '**working age**' Council Tax payers
 - Some will be expected to make a payment for the first time
- Number affected in NWBC approx 2,000 paying an average



Benefit Cap

- From September 2013 the maximum amount of benefit that claimants can receive will be capped at **£500** per week for couples and lone parents and **£350** per week for single adult households
- Prior to the implementation of Universal Credit, the benefit cap will be administered by local authorities through deductions to Housing Benefit payments
- Potentially there are 20 larger families in North Warwickshire, who would be most likely affected by the cap
- The DWP estimates that average benefit loss will be £93 per week with 15% of those affected losing £150 per week. It is expected that 44% of those affected will live in the social rented sector and 56% in the private rented sector



Personal Independence Payment

- ❖ From April 2013 all existing claimants of DLA will start to be moved to Personal Independence Payment
- ❖ The new benefit will be made up of different components, each of which will have two rates- standard and enhanced
- ❖ Claimants will have face to face assessments and periodic reviews
- ❖ The budget for PIP is 20% less than the budget for DLA so inevitably some people will receive less or be taken out of entitlement altogether
- ❖ Will affect 3.2m people. According to a Disability Alliance report up to 400,000 people could be taken off this benefit altogether
- ❖ Increase in appeals against such decisions- added pressure on disabled people and their carers
- ❖ Less ability to pay for care costs, impact on long-term health



Universal Credit

- Universal Credit planned to roll out from Oct 2013 for new claimants, with all recipients moved across by 2017
- Now unclear whether there will be a national implementation in October - may start with series of local pilot schemes
- UC replaces and incorporates a range of benefits into one single monthly payment. It will include Jobseekers Allowance, Working Tax Credit, Housing Benefit, Income Support, Child Tax Credit
- Claiming will be online by default. At present JSA can be claimed on-line but only 30% of claimants currently use this method
- Working age tenants will receive the housing costs element of UC direct rather than it being paid to the landlord. They will receive a **single payment, monthly in arrears**
- Vulnerable “tenants will be able to opt for direct payments, although “vulnerable” is yet to be properly defined by Government
- Transitional arrangements in the short term so no immediate cash losers. However, in the long run estimated 2.7m households no change, 2.8m will get more and 2m will get less



What does all this mean?

The wider impact of reform!

- More rent and council tax for the council to collect !!
- Inability to pay other bills – driving people to borrow or make difficult spending choices
- Increase in demand for debt advice – at a time of falling funding locally and nationally
- Greater demand on homelessness and housing options (particularly temporary and B&B if considered intentionally homeless)
- Greater levels of overcrowding
- Landlords less willing to take benefit claimants
- Increased applications for Discretionary Housing Payments
- Greater concentration of tenants in cheaper, poorer quality housing
- Greater levels of overcrowding
- Landlords less willing to take benefit claimants
- Likely to increase the number of larger properties available to let but increase demand for smaller ones which may not be possible to meet
- Higher Demand for “non-existent” Social Housing from private rented tenants
- Health and Wellbeing related issues – increase in alcohol and drug use / increase in mental health issues / increase in Domestic Violence
- Education related issues – impact on a child’s achievement and attainment levels / child’s mental health and wellbeing / their happiness! / FSM need
- Likely increase in loan shark activity and ‘legal’ money lenders



Community Safety Implications

What to expect.....?

- Breakdown in family relationships due to financial stress and pressure
 - Increase in domestic Violence
 - Children at risk
 - Affects on Children's learning outcomes and performance at school
- Increased numbers accessing Doorstop Lenders
 - Provident – 399% APR / Payday loans 1,734% APR / Wonga 4,214% APR
- Increase in Loan Shark activity
 - Illegal Money Lending has a cross-over with a criminal lifestyle
 - Links to extortion, drug running and prostitution
 - Effects on communities – fear, exacerbates crime and anti-social behaviour, deepens social and financial inclusion
- Increase in criminal activity and behaviour
 - Theft / fraud / drugs / alcohol / anti-social behaviour -
 - Knock on safety implications – increased fire risks?
- Increase in 'black-market' work activity
- Increased levels of gambling
- Social unrest?



Current Campaigns.....

- Welfare Reform Action Project
- 'Drop-In' targeted sessions
 - Advice and support delivered over some 'soup and a roll'
 - Partners present
 - Available in 4 weekly blocks at B.O.B hubs and Atherstone
 - Online referral process to relevant partner organisations
 - Pick up additional issues – health / job searching / training / debt / budgeting etc etc
 - To be delivered during Jan – March 13
 - Linking up the 3 themes of the NWCP



Welfare Reform Action Project
helping you to help yourself

Wraparound on the web!

- Website Development:

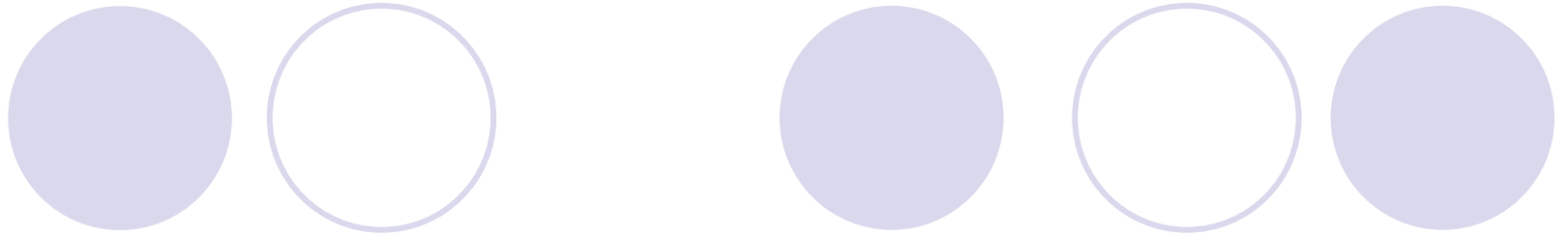
- www.northwarks.gov.uk

- Check out our Films!

- *Helping you to help yourself.....*

- Self-referral form available





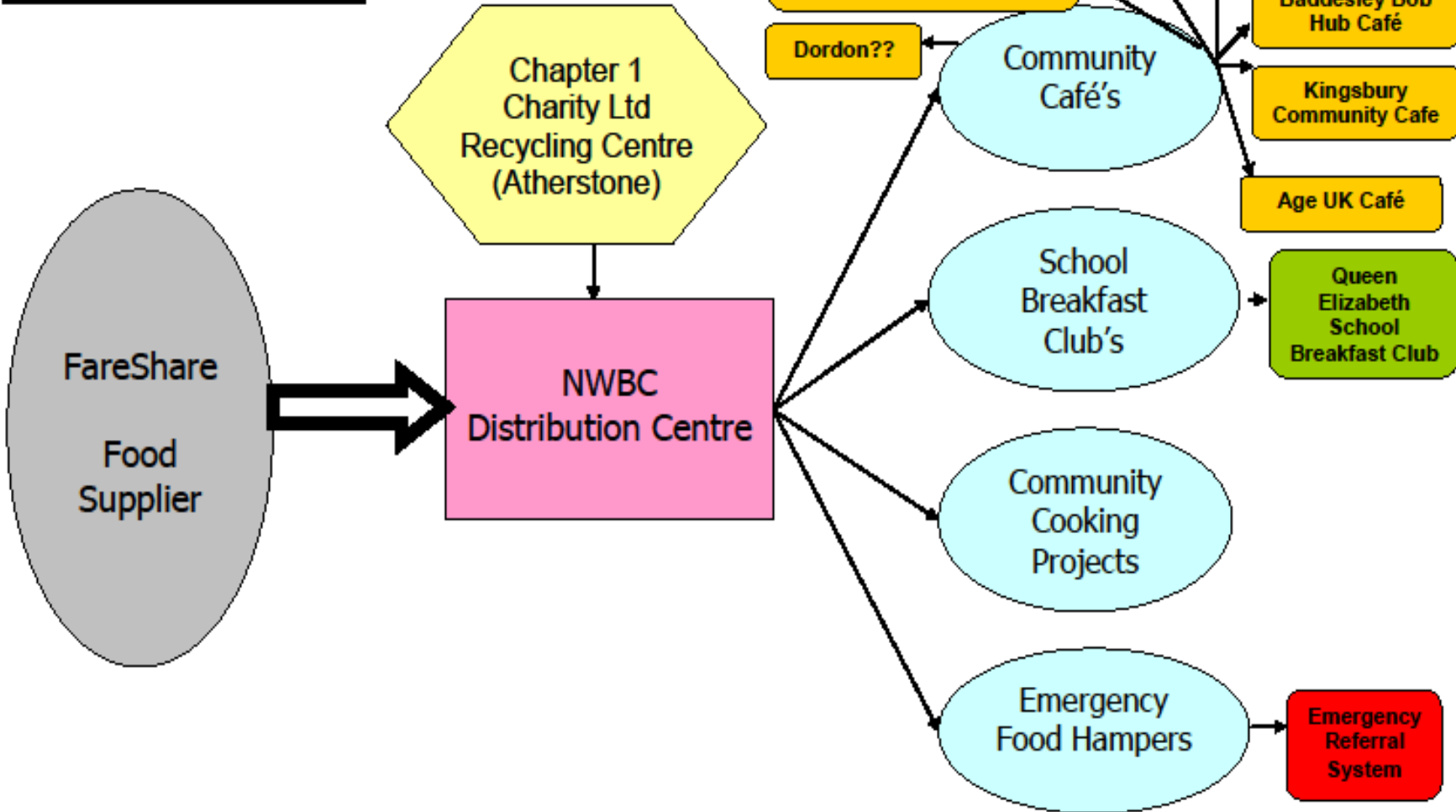
**What's on the
Horizon?**

The New Look Social Fund

- ❖ From April 2013 the responsibility for administering Crisis Loans for living expenses and Community Care Grants passes from DWP to upper tier LA's.
- ❖ The proposal is to establish a new scheme in Warwickshire with both a **proactive** element and **reactive** element
- ❖ The proactive element would aim to deliver a sustainable, networked multi-agency approach through access to practical support, advice and information. This will require effective partnership working to identify and signpost claimants to existing service provision, as appropriate, at the earliest opportunity
- ❖ The reactive element is to be a narrowly defined emergency provision. An emergency / crisis would be defined as 'food and heating'
- ❖ There will be no cash awards



NW Food Bank Model





NWBC Foodbank Model

- Currently developing the ‘referral’ process for the Emergency Food Hampers
 - Identifying support and signposting
 - Identifying referral agencies
- Getting building ‘fit for purpose’
 - 3 units at Innage Park, Abeles Way
 - 1 x 2nd chance furniture showroom
 - 1 x storage and potential workshp and training area
 - 1 x food storage unit
- Establishing ordering and collection system for community café’s / school
- We will be ready for first food delivery on 10th April 2013!!



BOB hubs

- Dordon Village Hall identified as a potential venue for a New BOB Hub
 - We would like to include Video Conferencing facility
 - Awaiting final decision and agreement from the Parish Council
- Kingsbury Methodist Church
 - After Easter, BOB (Bus) ‘pop-up’ will be attending to establish need
 - Still very keen to have an initiative in Kingsbury

Have your cake and eat it!!

- Following the success of the FSM campaign in 2012, granted further funding to undertake another FSM campaign!!
- Working with WO to identify the school's most in need (FSM gaps)



Looking Forward.....Our Vision

- To develop the B.O.B hubs into access points that local people want to use and that provide services that local people need and want
- Getting people on-line, staying on-line and moving towards digital independence
- Support people back into work
- Identify our audiences and better understand their different needs
- Identify a variety of mediums to communicate our messages – a more targeted approach!!
- To encourage, develop and support our volunteer base
- To work with partner organisations to deliver joined up messages
- To explore our work with Schools and Children's Centre's to support our families

Thank you for listening

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