

Welfare Reform

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Welfare Reform

- The objectives of the Welfare Reform Agenda
- Overview of previous Welfare Reforms and Council response
- Announced Future Welfare Reforms
- The likely impacts
- Questions

Objectives of Welfare Reform

The Welfare Reform Act legislates for the biggest change to the welfare system for over 60 years. The Government's view is the current system is:

- Benefits and tax credit system complex and expensive to administer
- Poor work incentives in system
- Fairness to those claiming benefit and to the taxpayer

Key measures:

- Universal credit
- Protection of older people
- Reduction in eligibility and level of other benefits

Previous Welfare Reform Changes

- Crisis Grants & Care Loans abolished – April 13
- Removal of Spare Room Subsidy/Underoccupancy – April 13
- Council Tax Benefit abolished and replaced by localised support – April 13
- PIP for new claims – June 13
- Benefit Cap – July 13
- Universal Credit in Chorley Job Centre – November 14
- DWP have made major changes effecting claimants

Anticipated Impact

- **Increase in Homelessness**
- Children and families:
 - Increase in child poverty
 - Increase in family stress
- **Health and social care:**
 - Impact on health and wellbeing
 - Increase in mental health problems
 - Increased demand for social care services
- **Social Housing**
 - Increased arrears
 - More demand for smaller properties
 - Increased stock turnover
- **Advice services – significantly increased demand**

Welfare Reform Action Plan

- Working together with partners - Jobcentre Plus, registered providers, and third sector partners to prepare for the reforms – Welfare Reform Partnership
- Financial Capability Training
- Secured funding from JC+ for Employability Officer – removing barriers to work
- Identified funding for Welfare Reform Officer – Supporting tenants with arrears
- Specialist Court Desk support for tenants
- Developed Welfare Reform Action Plan
- Digital Inclusion - Increase unsupported on-line claims

Welfare Reform Action Plan

- Established Unify Credit Union – prominent town centre location
- Support the cultural change: new channels and personal responsibility
- Identified which and how residents and will be affected
- Delivered communications with those affected, awareness raising
- Amended policies to incorporate under-occupancy Select move/DHPs
- Work with pathfinders to establish the right services
- Plan transition – Universal Credit will be phased in locally between 2014-2017

Summer Budget Announcement

- Freeze across most working age benefits – April 16
- 1% reduction in social rents for four years– April 16
- Support for Mortgage Interest to change to loan – April 16
- Change in Tax Credit Taper (41-48%) – April 16
- Maximum backdate for HB reduced from 6 to 1 month – April 16
- Restrictions for Housing Support for young people – April 17
- Benefit Cap changes – April 17
- Changes to Social Rent for high earners

Next Steps

- Build on existing Services & Partnerships
- Identify individuals likely to be impacted and work proactively to mitigate the effect.
- Removal of barriers to employment
- Personal Budgeting Advice
- Support for Digital Access & Inclusion

Questions?