



**LSCB**

Bath & North East Somerset  
Local Safeguarding Children Board

**Reg Pengelly - Independent Chair**

<b>Report Title:</b>  <b>Welfare reform update &amp; potential safeguarding implications</b>	<b>Agenda Item : 11</b>
<b>Date of Meeting:</b>  06.09.16	<b>Author:</b>  Sarah Seeger & Harriet Bosnell, Curo
<b>Recommendation/Decision required/ from LSCB</b>  That the LSCB note the contents of this report and consider the implications for vulnerable families and the safeguarding agenda.  Harriet Bosnell and Sarah Seeger will be available at the LSCB on 6 <sup>th</sup> September to take any questions.	
<b>Background:</b>  The purpose of this paper is to provide board members with a brief summary of the main reforms underway and the potential impact on families.	
<b>Key issues for discussion:</b> <ul style="list-style-type: none"><li>• Universal Credit</li><li>• Reduction of Housing Benefit to LHA rates in the social housing sector</li><li>• The benefit cap</li><li>• Restrictions to tax credits in Universal Credit</li><li>• ESA changes</li><li>• Personal Independence Payments</li></ul>	

The main rates of working age benefits and tax credits will be frozen in cash terms for 4 years from April 2016.

Pensioner benefits are excluded from the benefit freeze and will be protected by the 'triple lock'.

### Universal Credit

B&NES is a pilot area for the roll out of Universal Credit (UC). As at 10/08/16 Curo have 378 households on Universal Credit in BANES.

#### What you need to know:

- UC rolls the main benefits bar Child Benefit and PIP into one single monthly payment – claimants will need to budget to make this last through the month.
- UC also includes a payment for housing costs – claimants need to use this to pay their rent.
- Most claimants will have a 35-42 day wait for their first UC payment. UC is paid monthly in arrears.
- UC is a digital benefit – all claims are made and managed on line.
- All UC claimants have to agree to a “claimant commitment” in order to receive their benefits.
- UC is paid into a bank account.
- All of the UC is paid to one household member.
- Managed payments are available for eligible claimants. This can include housing costs being paid to landlords, more frequent payments and split payments in cases of domestic or financial abuse. More frequent payments and split payments are rarely used.
- As raised by National Probation Service at the meeting – people coming out of prison will also be subject to the 35-42 day wait and will be unlikely to have any contingency plans or savings to manage the gap.

#### Reduction of Housing Benefit (HB) to Local Housing Allowance rates in the social sector

Tenancies that are started or are amended after 01/04/2016 will have housing cost payments for claimants restricted to LHA rates from 01/04/2018. The weekly LHA rates in B&NES are:

LHA room category	BRMA	
Rates are per weekly	Bath LHA rate	Bristol LHA rate
Shared accommodation/ single under 35	£72.49	£67.37
1 bedroom	£135.74	£121.19
2 bedrooms	£167.23	£151.50
3 bedrooms	£189.86	£175.74
4 bedrooms	£291.90	£242.33

This is of particular significance to:

- Single claimants under 35
- Claimants in supported housing
- Claimants in private rented accommodation whose rent is higher than the LHA rate for their family size.

**What you need to know:**

- The “shared accommodation” rate will be the maximum housing cost payment to single claimants under the age of 35 who are not exempt. Claimants will have to make up the shortfall themselves. For example:

	<b>Average Curo rent</b>	<b>Shortfall to pay (rent - £72.49)</b>
<b>General needs one bed</b>	89.62	17.13
<b>Affordable rent one bed</b>	122.17	49.68
<b>Supported Housing one bed</b>	229.87	157.38
<b>Temporary accommodation one bed</b>	187.92	115.43

- It should be noted that the rates for Jobseekers Allowance/UC for single claimants are £57 per week for under 25's and £73 per week for over 25's
- The cap will have a greater impact on claimants in Supported Housing where rents are higher. The government has delayed the implementation for supported housing, with further announcements expected in the autumn. (Post meeting note; it has been announced that Discretionary Housing Payments will be made available for claimants in supported housing who have a shortfall to pay. Additional funds will be made available to Local Authorities and ring-fenced for this purpose. It is still to be announced how much funding each LA will receive and for how long the budget will be ring-fenced).
- A number of supported housing schemes in the development pipeline have stalled as the reform renders the schemes unviable.
- The cap on HB to LHA rates is one of the few reforms that pension age claimants are not exempt from.

## **The Benefit Cap**

The maximum award of benefits per household will not exceed £20K per annum. This will be implemented from Early November 2016 in B&NES. The cap is presently set at £26K per annum

### **What you need to know:**

- Households where one claimant works a minimum of 16 hours per week are exempt from the cap.
- Households where someone is in receipt of PIP, DLA, ESA (Support) or Carers Allowance are exempt.
- The “cap” is deducted from housing benefit at present. This means that the cap can’t exceed the housing benefit amount for these claims. For families on Universal Credit, the cap can be applied to the entire award.
- Families in private rented accommodation with higher rents are more likely to be affected.
- Curo has 88 affected households in B&NES. Curo rents are generally quite low, meaning that only workless households with 3 or more children and no exempting benefits will be affected.

### **Restrictions to Universal credit for families:**

These reforms were initially to be applied to tax credit claims and UC claims, but are now limited to UC following pressure from MP’s from all parties.

### **What you need to know:**

- If you make a new claim on or after 6th April 2017 the ‘Family Element’ worth £545 per annum will not be included.
- If you have a 3rd child, you won’t get additional UC for that child if your baby is born on or after 6th April 2017 (a loss of £53.46 per week)
- A Disabled Child or Severely Disabled Child Element can still be included in respect of any child.
- It should also be noted that changes were made to the work allowances in Universal Credit at the same time. Analysis by the Child Poverty Action Group (CPAG) estimates that families with a sole earner working full-time on the “national living wage” of £7.20 an hour would have to work a 13-month year to compensate for the cuts, and a full-time single parent would have to work a 14-month year. Some households will lose up to £200 per month.
- From September 2017 extended free childcare entitlement for working parents of three and four year-olds will provide eligible parents with a total of 30 hours of free childcare per week, over 38 weeks or the equivalent number of hours across more weeks per year.

## **Changes to Employment & Support Allowance (ESA)**

From April 2017 new ESA claimants who are placed in the Work-Related Activity Group will receive the same rate of benefit as those claiming Jobseeker's Allowance or UC, alongside additional support to help them take steps back to work.

This is a cut of £44.25 per week for under 25's and £29.05 for over 25's.

## **Personal Independence Payment (PIP) Roll out**

The main purpose of replacing DLA with PIP is to reduce the cost of the benefit by 20% by making the criteria more difficult to meet.

Reforms to the personal independence payment (PIP) will see 200,000 disabled people taken out of the system altogether. An estimated 14,000 claimants nationally will lose their Motability car.

A further 400,000 people will see their weekly payments fall from the enhanced £82 per week to the standard £55 per week – costing them £1,400 a year.

Post Meeting Note:

## **HB for 18-21 year olds**

As part of the Summer Budget 2015 the Chancellor announced the removal of entitlement to the housing element of Universal Credit from young people aged 18-21, with some exceptions, from April 2017. It is expected that this measure will be implemented by regulations. The stated rationale is to “ensure young people in the benefits system face the same choices as young people who work and who may not be able to afford to leave home.” The measure is forecast to save £40m by 2020/21.

A related Budget announcement set out plans to introduce a Youth Obligation for 18 to 21 year olds on Universal Credit from April 2017. Young people will be expected to participate in an “intensive regime of support from day 1 of their benefit claim, and after 6 months they will be expected to apply for an apprenticeship or traineeship, gain work-based skills, or go on a mandatory work placement.”

Certain categories of young people will be exempt from the removal of Housing Benefit, including vulnerable young people; those who may not be able to return home to live with their parents; parents; and those who have been in work for 6 months prior to making a claim. At this point there is no additional information on how vulnerability will be defined.