

Impact of Welfare Reform

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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 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 are potentially be affordable to HB claimants (3633).

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 a change in the mix of affordable housing is required
- Indicative loss of income into the economy – £672,020.

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 protected the vulnerable and pensioners (58.8% of our caseload).
- £19,372,752 currently spent on CTB.
- £1,937,275 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.

April 2013

- New CTS scheme introduced
- Removal of second adult rebate
- Reduction of the capital limit from £16,000 to £10,000
- Removal of earnings disregards
- Removal of child benefit disregard
- Increase in non-dependant deductions

April 2013

- Size criteria will be introduced for social housing for working age customers. (Bedroom Tax)
- Estimates are that 2130 claims will be affected.
- 14% reduction in rent 1 bed spare – 1696
- 25% reduction in rent 2 bed spare- 434
- Economic Impact £1.2m

April 2013

- Another Increase in Discretionary Housing Payment (DHP) to help the most vulnerable:

Shropshire	2012/13 – £111,190
	2013/14 – £277,475
- Transfer of crisis loan and community care grant administration from the DWP to the Council.

By September 2013

- Household benefit cap – so that no family can receive more in benefits than working households - £500 couple, £350 single person - 89 claims affected.
- Economic Impact £375,000

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 for JSA(ib) from October 2013 managed migration of other benefits with full transfer expected by 2017.
- Delivered by the DWP.
- Applied for online or over the phone.
- Local Support Scheme to support the most vulnerable.
- Direct Payment of Rent to Tenants.

Direct Payment Project

- 1876 customers in scope spread right across Shropshire
- Three phases so far
- 127 customers safeguarded
- Started in July 2012 for 12 months



Reducing Impact and Risk to Tenants & Landlords

- 207 residents have vacated tenancies
- 130 people require intense work for complex issues
- 127 safeguarded
- 43 require help setting up bank account
- 38 people refused to be involved
- 18 switchbacks
- Over 200 people have not responded to 6 letters, visits and phone calls

Lessons Learned and Barriers to Success

- Communication!!
- Lack of welfare reform awareness
- Resistance to change
- Budgeting capacity
- Multi layered issues



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.

Impact for the County

- £2M loss of Admin Grant.
- £2M reduction in Council Tax Benefit funding.
- £1m loss of Subsidy Surplus.
- Loss of Benefit and related jobs locally.
- Redundancy Costs for staff c.£1m.
- More rent and Council tax to collect so higher administration costs/ more bad debt.
- Less disposable income to pay for Social Care.
- Greater demand on Housing Options/Childrens & Adult Social Care/VCS.
- Economic impact of over c.£9M.



Impact - Customers

- More rent and Council Tax to pay.
- Less disposable income.
- Inability to pay bills.
- Increased demand in debt advice.
- Lack of affordable / appropriate housing.
- Overcrowding or tenants in cheaper poor quality housing.
- Landlords less willing to take HB customers.

