

Local community impact of welfare reform

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Background

Over the last few years, a number of changes to welfare provision have been made. These have included the Benefit Cap; the Spare Room Subsidy; and the roll out of Universal Credit (which took place on 07 March 2018 for any new claim in Lincoln). Additionally, in 2016, the Welfare Reform and Work Act made a number of changes, including;

- Lowering the Benefit Cap outside Greater London to £20,000 per year for couples and lone parents; and £13,400 per year for single claimants (Carer's Allowance is excluded from the cap).
- Certain working-age social security benefits and tax credits were frozen for four years, including Income Support; Jobseeker's Allowance; Employment and Support Allowance; Housing Benefit; Universal Credit; the individual child elements of Child Tax Credit; and most elements of Working Tax Credit.
- The child element of Child Tax Credit and Universal Credit were limited to a maximum of two children for each household (there are some exemptions to this depending on circumstance).
- The work related activity component of Employment and Support Allowance, and the limited capability for the work element of Universal Credit, were abolished.

Possible review area

With the introduction of Universal Credit to Lincoln in March 2018; the wider impact of welfare reform; and the high demand for affordable housing in the city identified in Vision 2020 (reflecting the national pressure on the housing market), the topic of welfare reform is broad ranging.

However, two particular strands emerge that provide an opportunity for review;

- Strand one: Universal Credit
 - Background to Universal Credit.
 - The role of key support teams / agencies in responding to Universal Credit (e.g. Universal Credit Support Team; Welfare Advice; Citizens Advice; and the Department for Work and Pensions).
 - How Universal Credit has affected them, as well as any broader welfare reform.
 - The impact of Universal Credit and welfare reform on communities.
 - How the teams / agencies work together to meet demand; fill gaps; and avoid duplication.
- Strand two: Housing
 - Background on housing and its affordability, including its link to Universal Credit and welfare reform.
 - Demand for affordable housing in the city.
 - The council's role as a landlord, and as an enabler of affordable housing.
 - How affordable housing is encouraged in the city, and what impact this is having.
 - The role of planning policies in delivering affordable housing.

Background – service responses

Since the launch of Vision 2020, and in the lead up to the announcement of Universal Credit, the council has worked closely with the Department for Work and Pensions and other partners to raise awareness of the changes; spread knowledge of what support is in place; and ensure partners are prepared to support their service users. Particularly in the lead up to, and following the introduction of Universal Credit, regular monthly meetings have been taking place between Revenues and Benefits, Housing, and other partners.

Key activities the city council is leading on to help residents respond to welfare reform include;

- Creation of a Universal Credit Support Team.
- Provision of digital support via the suite of Public Access PCs in City Hall.
- Offering an advice service through the Welfare Advice Team.
- Contacting residents in advance, who may be affected by welfare reform.

Additionally, in 2017/18, the city council has;

- Secured approximately £200,000 of additional income for residents via the Welfare Advice Team.
- Awarded £31.9m in Housing Benefit and £7.4m in Council Tax Support via the Revenues and Benefits Team.
- Between April and June 2018 (first few weeks of Universal Credit), the council's Universal Credit Support Team has provided 160 residents with digital support; 82 residents with budgeting support; and 31 residents with combined digital and budgeting support.
- Developed a Trusted Landlord Scheme to provide standards of accommodation, management of tenants and neighbourhood relations; covering 482 privately rented properties in the city at the end of 2017/18.
- Worked closely with partners such as Waterloo Housing Group and Westleigh Developments Ltd. to enable the Vision 2020 target of enabling 400 new homes by 2020 across a range of sites in the city.

Background - evidence

Universal Credit

- In May 2018, there were 1,603 Lincoln residents on Universal Credit, of whom 37% are in employment.
- The most common age range for Universal Credit claimants in Lincoln was people in their 20s, who accounted for 41% of all claimants, however the average age of people seen by the Universal Credit Support Team was 41.
- Of the Universal Credit claimants in Lincoln, 26% (421) were known to be council tenants.
- Since claiming Universal Credit;
 - 264 tenants saw their arrears increase or their credit decrease (e.g. were worse off) by a combined £81,162.
 - 143 tenants saw their arrears decrease or their credit increase (e.g. were better off) by a combined £31,152.
 - 14 tenants were either not in arrears, or were in credit.

General indicators of financial affordability

- Additionally, we know housing affordability is a challenge for many. A key indicator for this is the fuel poverty rate, which shows in 2015, 14.6% of households in Lincoln experienced a household income that was below the relative poverty line, and above average energy costs.
- In 2017/18, the total level of priority debt for people seen by the Welfare Advice Team was £198,737, and the total level of secondary debt was £200,367 (combined £399,104).