

# Impacts of Welfare Changes in Camden

January 2016

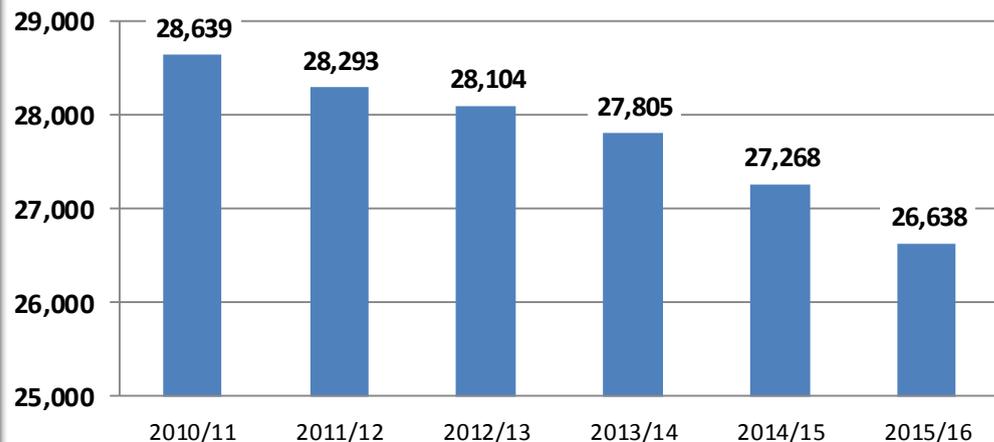


Reference date 1 January 2016

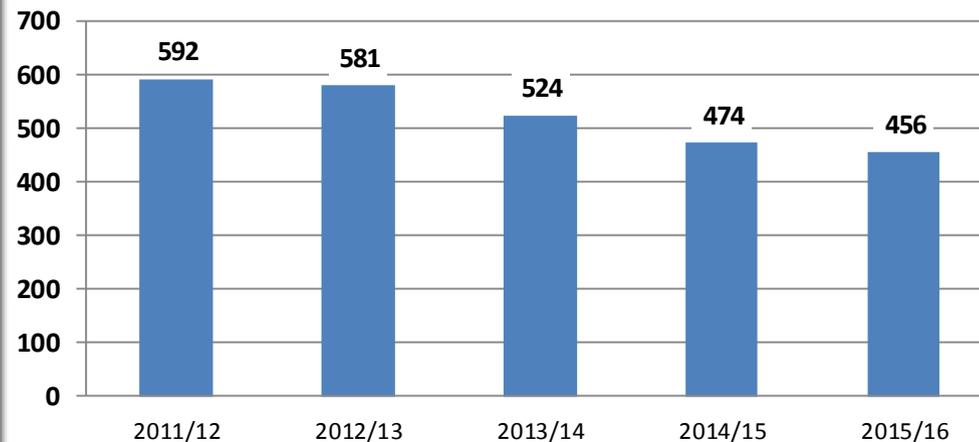
# Housing Benefit Overview

- There has been a **23%** decrease in the number of new claims received since 2011/12.
- Housing Benefit (HB) claimants constitute around **a quarter** of Camden households.
- 70% of claimants are working aged, and most of these will be affected by Universal Credit.

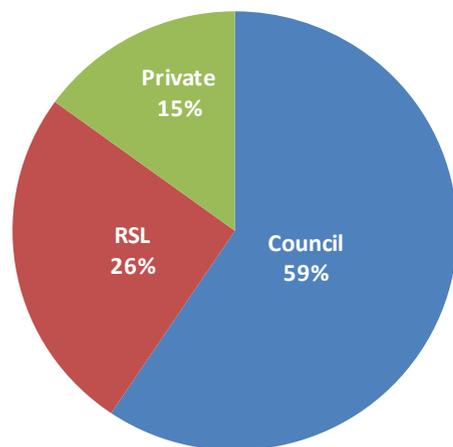
## Total Claims



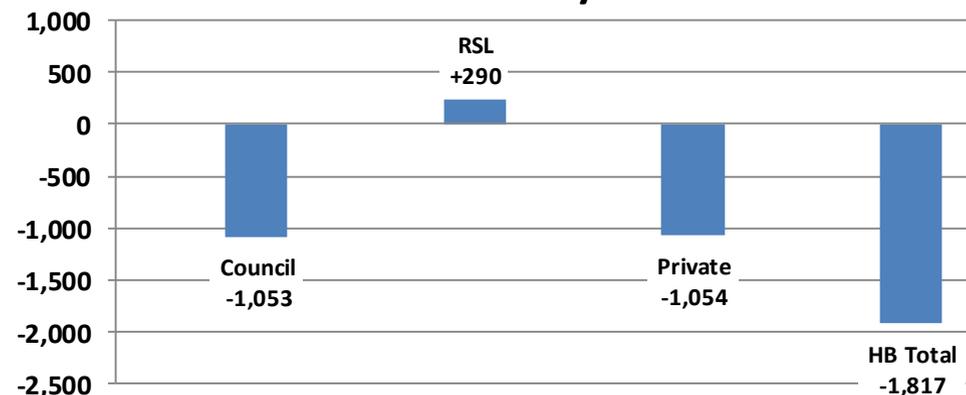
## New Claims (monthly average)



## Claims by Tenure, January 2016



## Change in the number of HB claimants by tenure March 2010 to January 2015



# Local Housing Allowance (LHA) Overview

3,166 residents claiming LHA, on average receiving £247.01 per week.

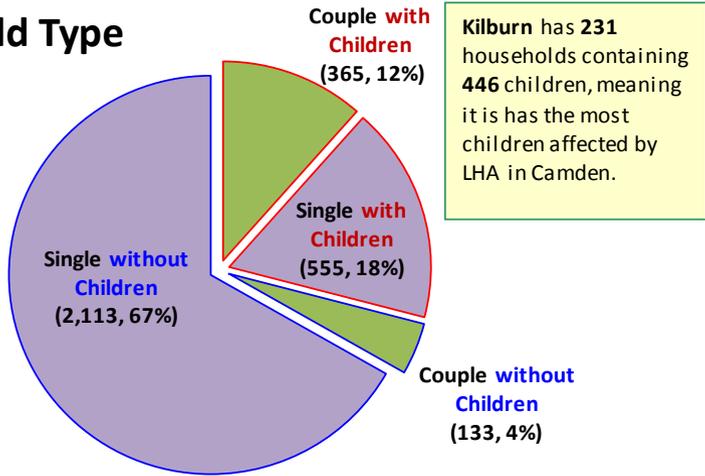
1,552 children across Camden live in households claiming LHA.

2,668 single adult households in Camden claim LHA. This is 84% of all households.

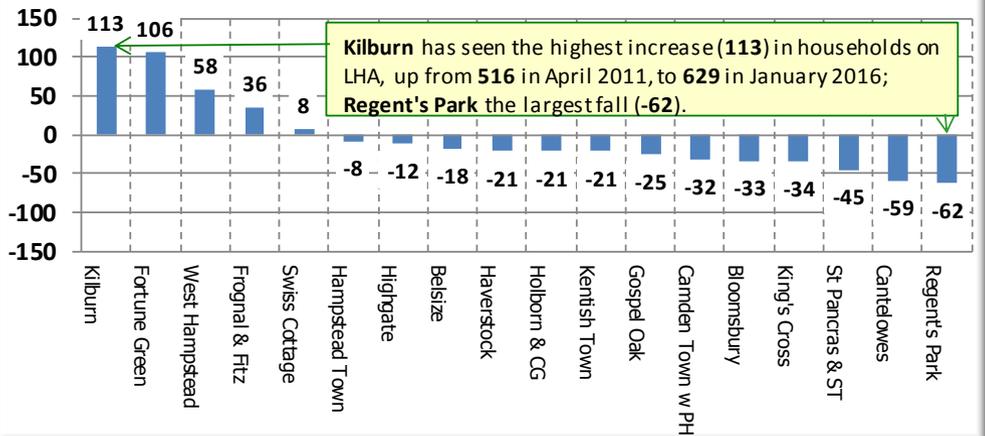
LHA	Average LHA	HHs with Children	% HHs with Children	Number of Children	Number Passported	% Passported	Number Single	% Single	Number of Couple HHs	% of Couple HHs
3,166	£247.01	920	29%	1,552	1,444	46%	2,668	84%	498	16%

## LHA Household Type

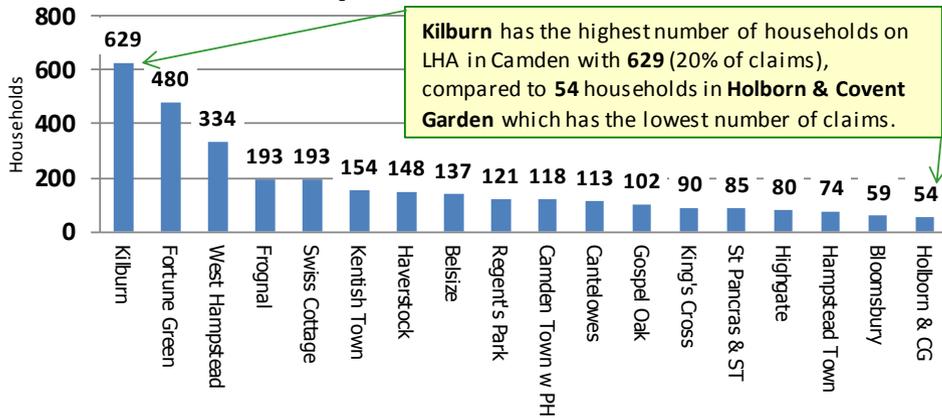
The highest concentration of single adult claimants (500), including lone parents (125), is in Kilburn.



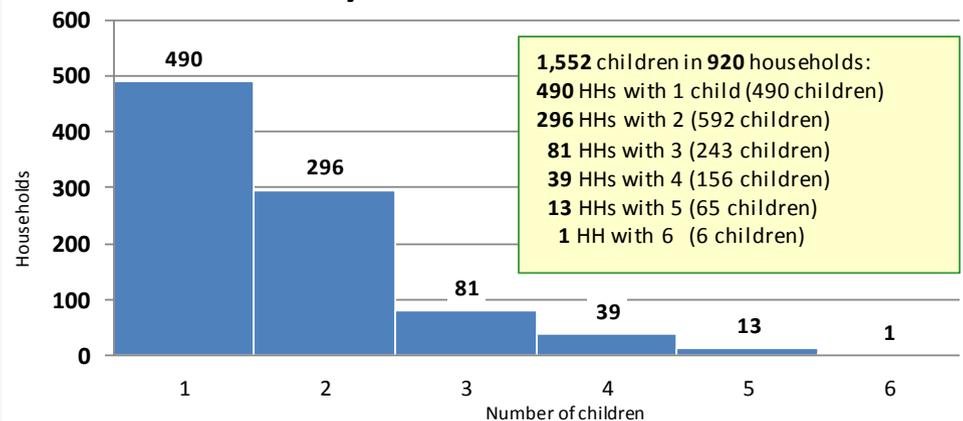
## LHA Ward Movement from April 2011



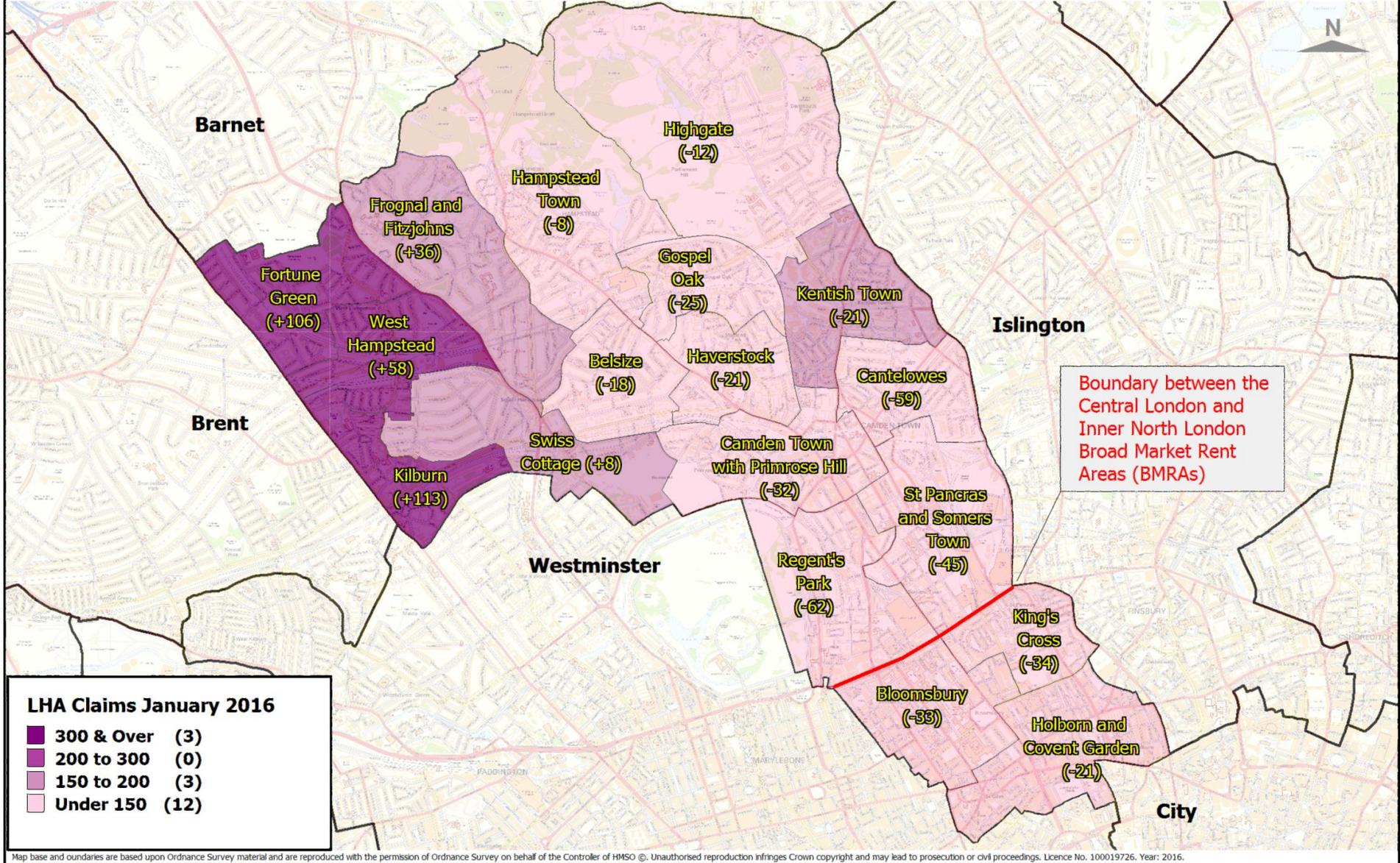
## LHA Distribution by Ward



## LHA Households by Number of Children



# Local Housing Allowance Claims, January 2016 (and change since April 2011)



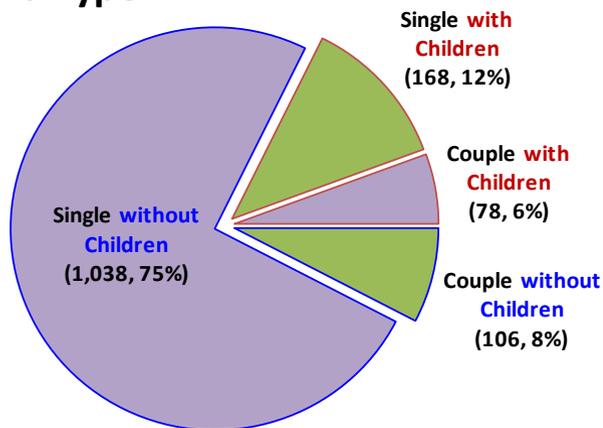
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# Social Sector Size Criteria (SSSC) Overview

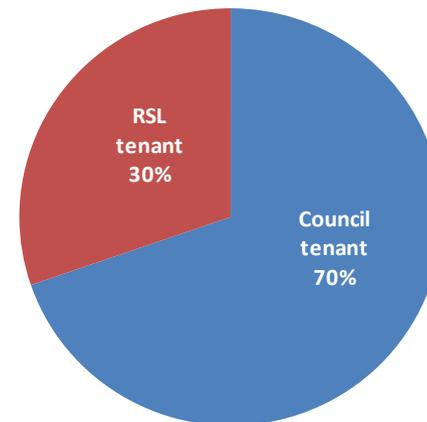
1,390 households in Camden are affected by SSSC and on average lose £22.54 per week

Total SSSC	Households with Children	% Households with Children	Total Number of Children	Number Passported	% Passported	Single Claimants	% Single Claimants	Couple Claimants	% Couple Claimants	Council tenant	RSL tenant
1,390	246	18%	396	895	64%	1,206	87%	184	13%	969	421

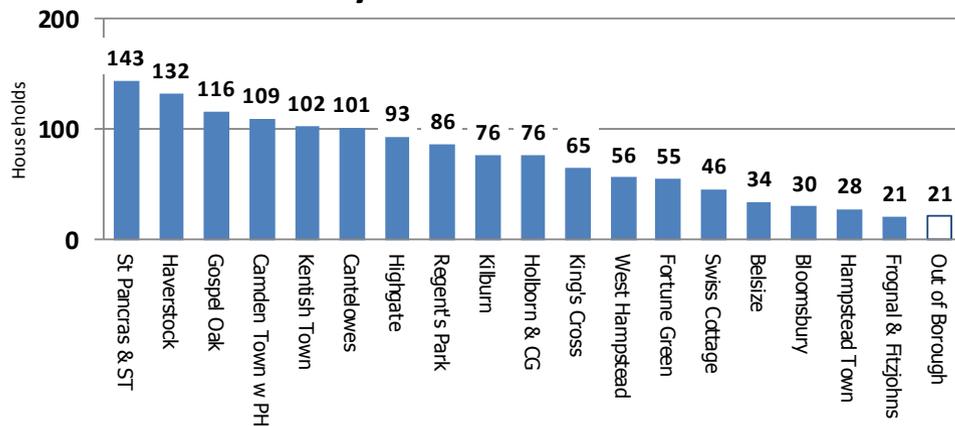
## SSSC Household Type



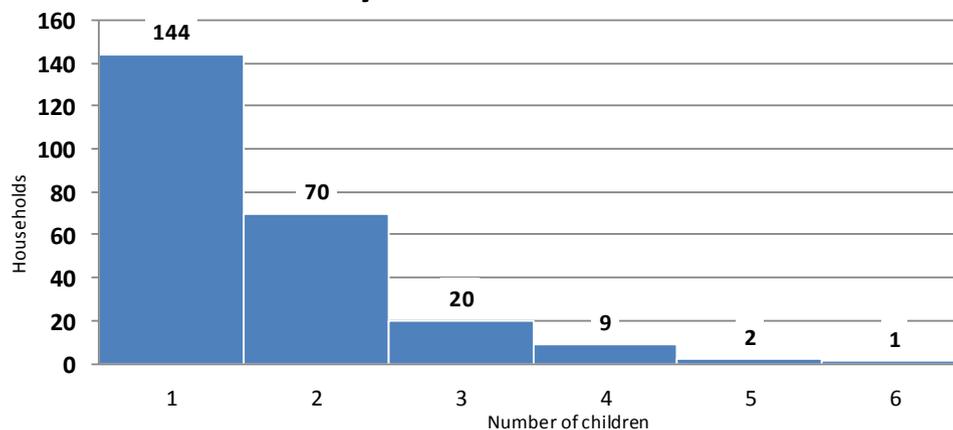
## SSSC Tenure



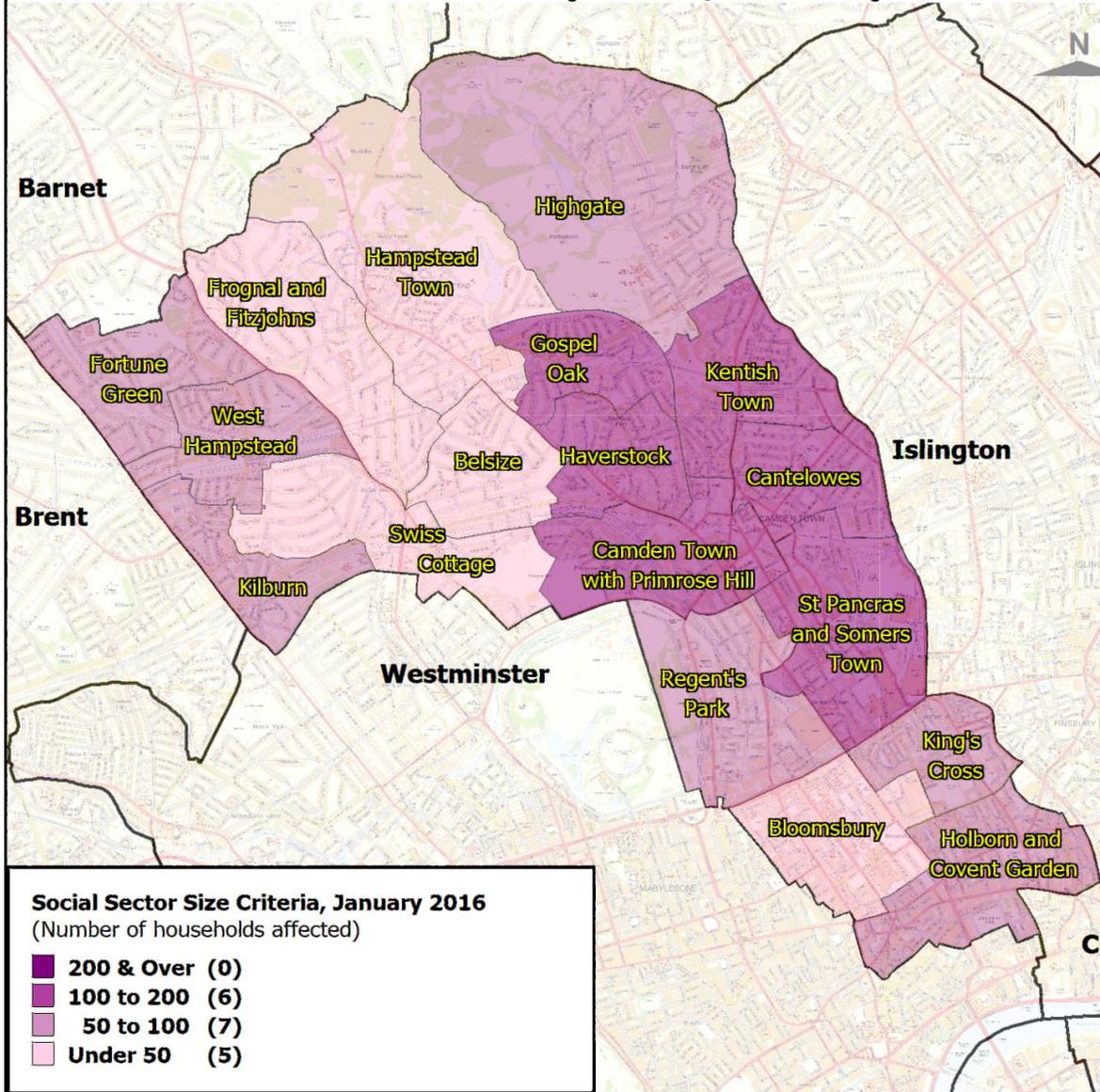
## SSSC Distribution by Ward



## SSSC Households by Number of Children

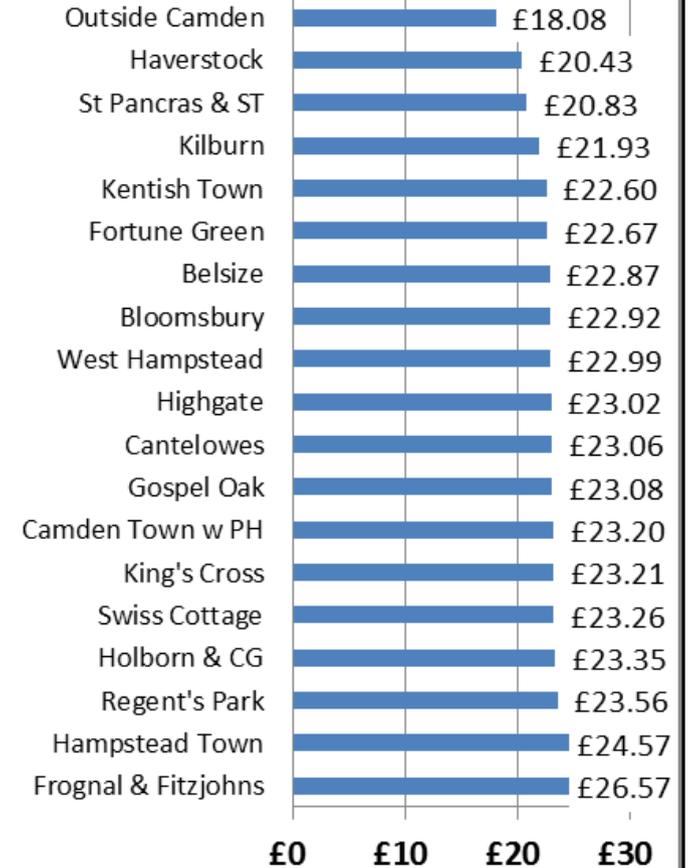


# Social Sector Size Criteria by Ward, January 2016



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## Average SSSC Loss (£)



The lowest average loss is **£20.43** p/w in **Haverstock**.

The highest average loss is **£26.57** p/w in **Frognal & Fitzjohns**.

# SSSC: Council Tenancies in Arrears

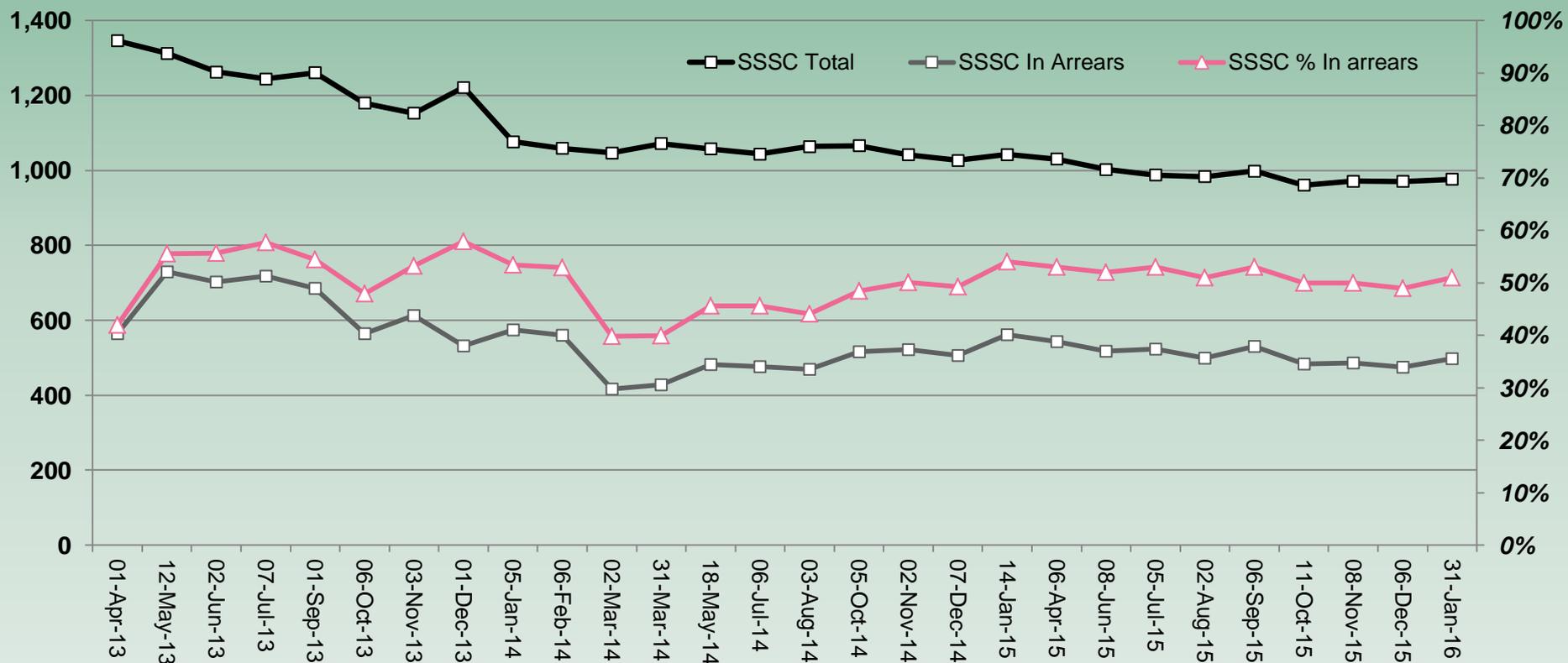
## Latest SSSC Arrears

31 January 2016

- 498 (51%) SSSC tenants are in arrears
- 87 (9%) owed over £1,000

## In the year to January 2016

- SSSC total has fallen 6% since Jan-15.
- Number in arrears has fallen 11% since Jan-15.
- Arrears rate has fallen from 54% in Jan-15 to 51% in Jan-16.

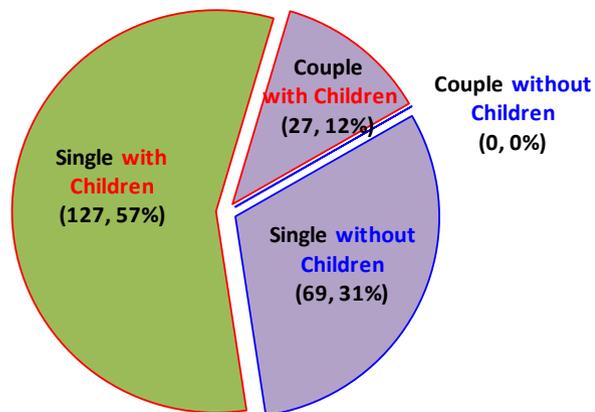


# Total Benefits Cap (TBC) Overview

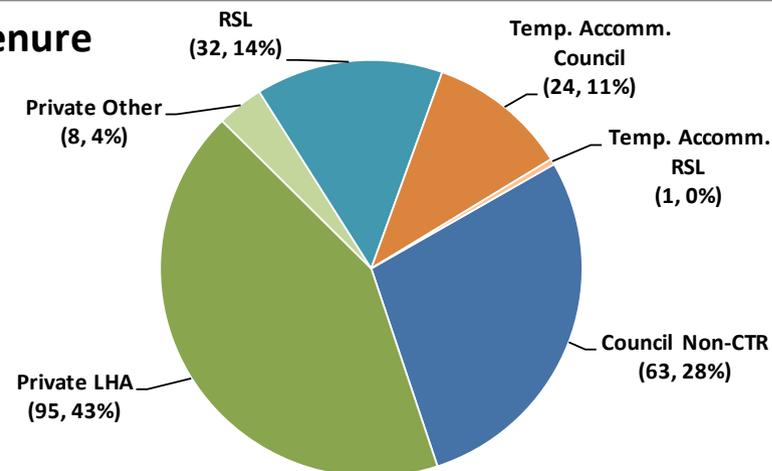
223 households affected in January 2016, 154 of these contain children. **£43.70** per week average benefit loss.

Total affected by TBC	Average Benefits Cap (£)	Number of Households with Children	% Households with Children	Total Number of Children	Number Passport	% Passport	Number Single Claimants	% Single Claimants	Number Couple Claimants	% Couple Claimants
223	£43.70	154	69%	520	205	92%	196	88%	27	12%

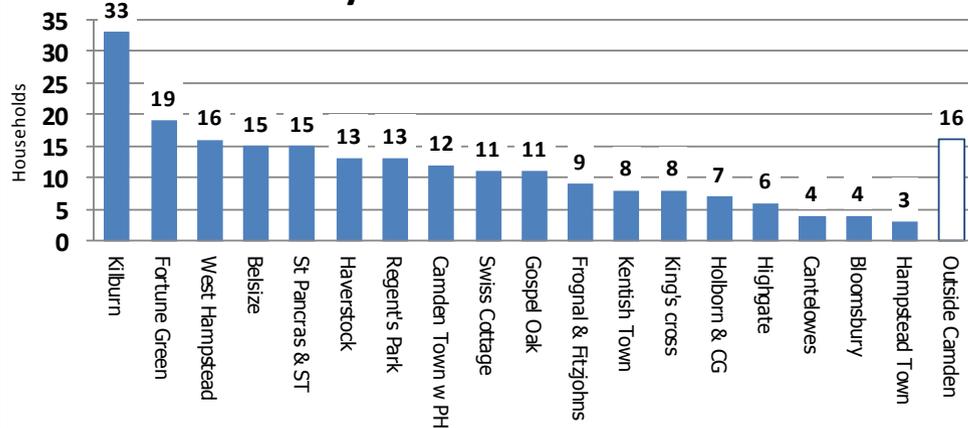
## TBC Household Type



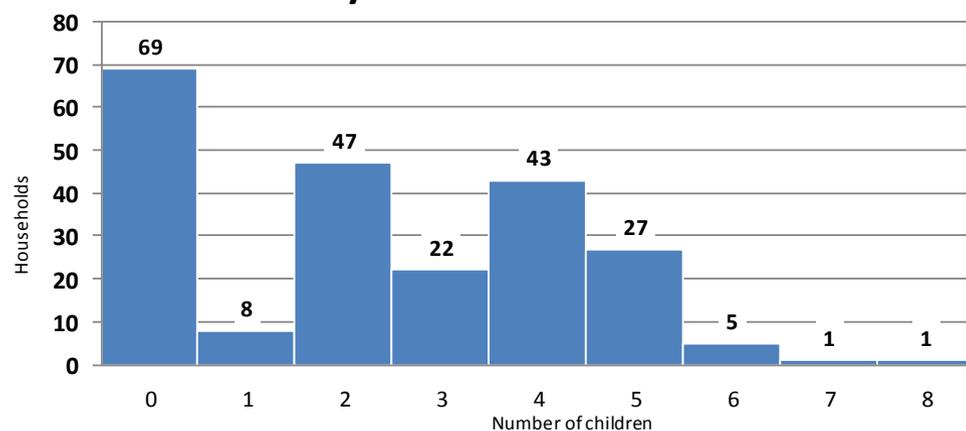
## TBC Tenure



## TBC Distribution by Ward

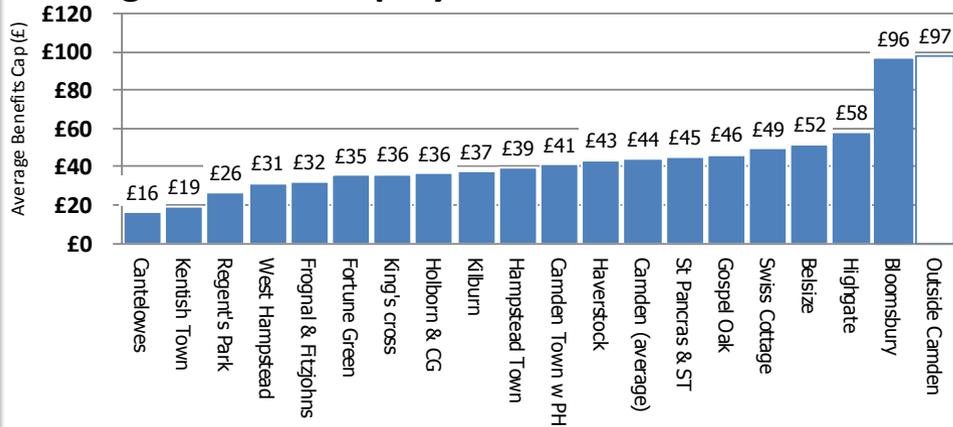


## TBC Households by Number of Children



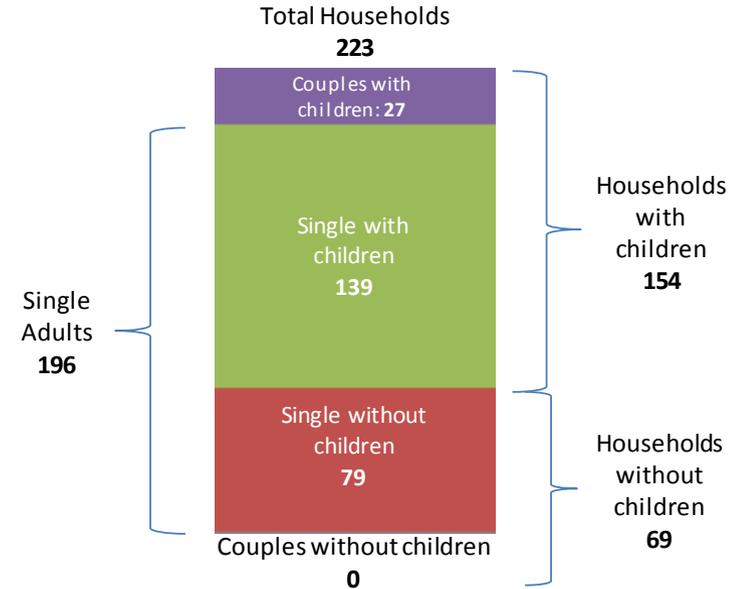
# Total Benefits Cap (TBC) - Continued

## Average Benefits Cap by Ward

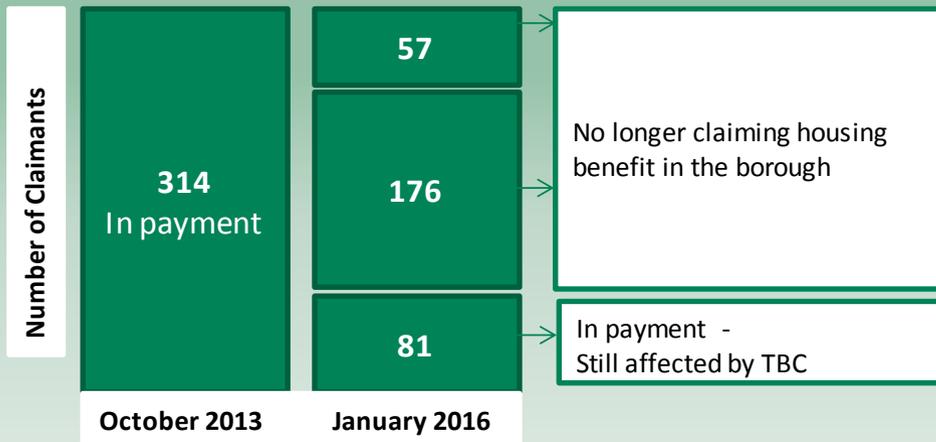


There are currently **223** TBC cases in Camden.

## TBC Household profile



## What happened to the October 2013 TBC cohort?

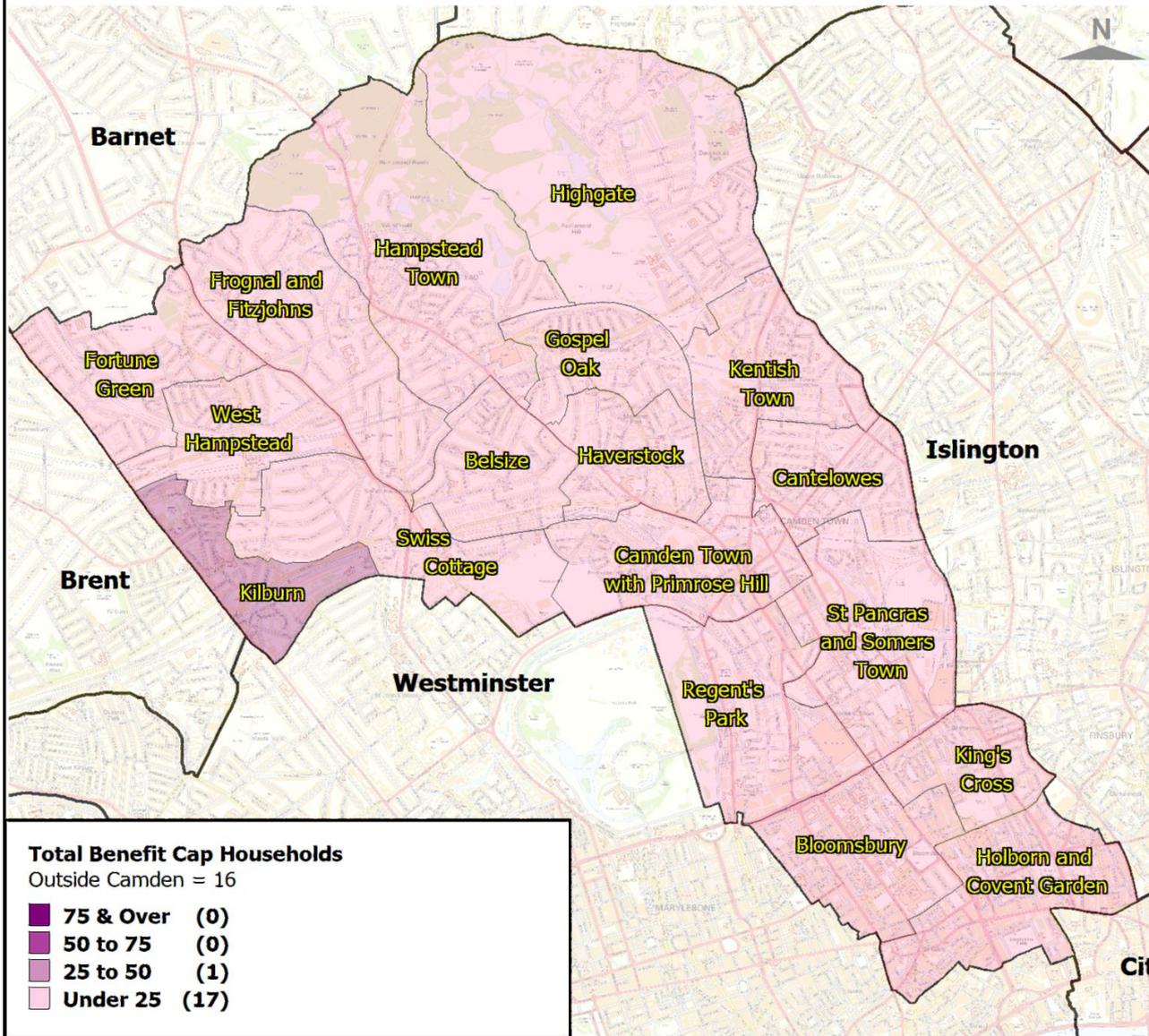


## TBC Arrears (31 January 2016)

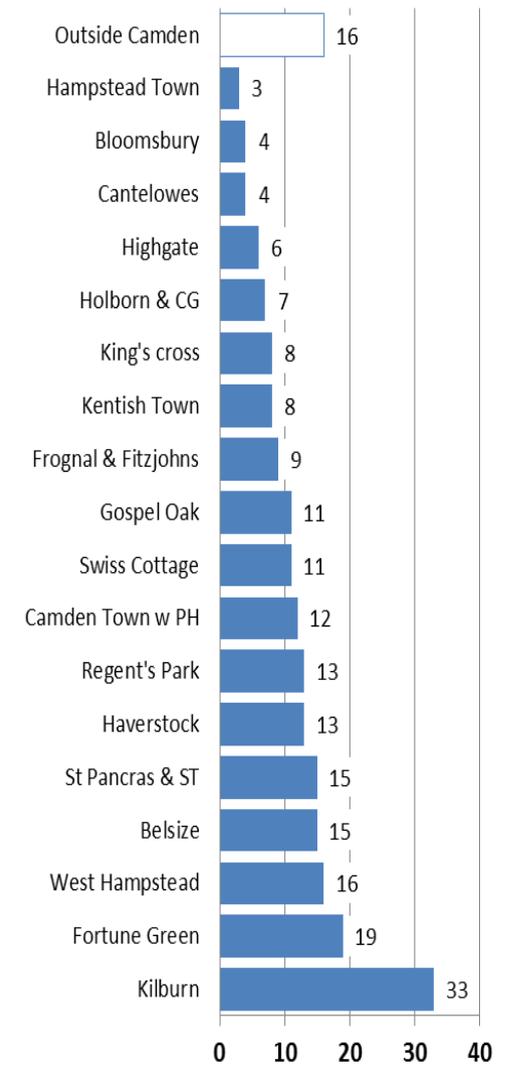
Cases relate to Council tenants only

- 66 cases, down from 69 in Sep-15
- 7 owe £1,000+
- Average arrears rate 67% (81% in Sep-15)
- High arrears cases characterised by: large families with young children and babies; with a lone parent mother; more from Bangladeshi and Somali groups

# Households affected by Total Benefit Cap, January 2016



## Total Benefits Cap Households



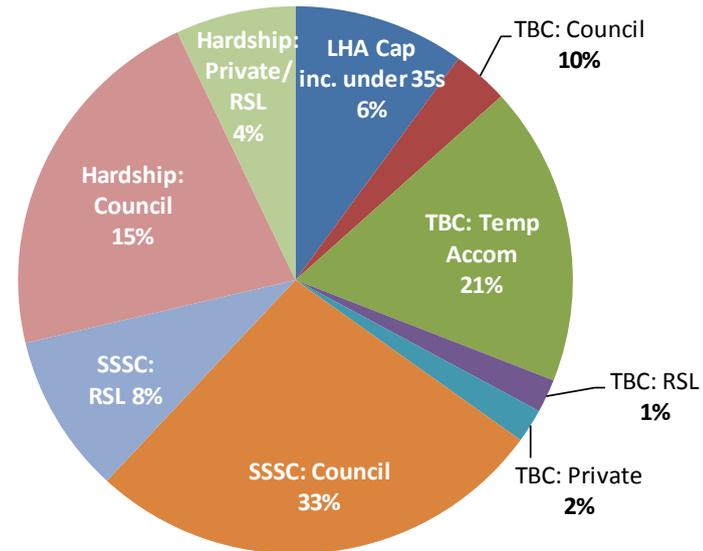
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# Discretionary Housing Payments (DHP) Spend 2015-16

Discretionary Housing Payments are one of the main tools at the Council's disposal to mitigate the impact of welfare changes and the funding allocated by the Department for Work and Pensions (DWP) to Camden has increased accordingly. Spend has more than doubled since the Total Benefits Cap (TBC) came into effect.

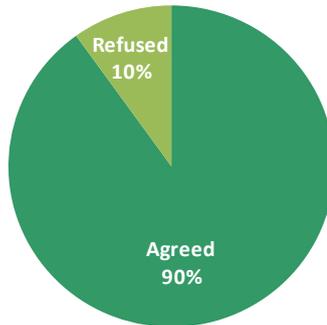
Type	Type	Dec-15	Year to date
Local Housing Allowance (LHA) Cap including under 35s		£6,674	£64,203
Total Benefits Cap (TBC)	Council tenants	£2,196	£35,561
	Temporary Accommodation tenants	£11,791	£108,582
	RSL tenants	£1,314	£9,336
	Private tenants	£1,329	£20,638
Social Sector Size Criteria	Council tenants	£17,980	£149,533
	RSL tenants	£6,273	£56,998
Hardship	Council tenants	£14,471	£115,631
	Private tenants	£4,673	£59,838
<b>Total</b>	<b>Total</b>	<b>£66,701</b>	<b>£620,320</b>

DHP Monthly Spend Type - December 2015



## DHP Applications: Acceptances/Refusals

Total Received YTD = 936



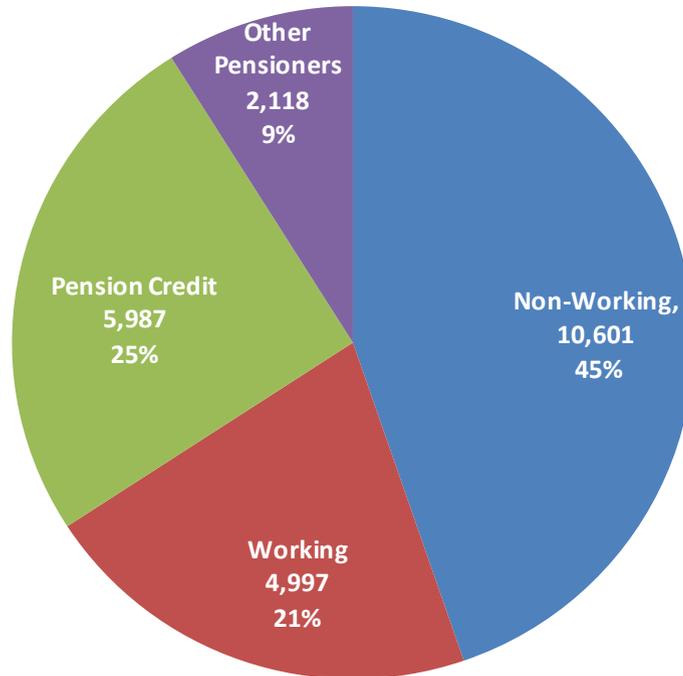
The largest number of people who receive DHP are **375** tenants impacted by the Social Sector Size Criteria. In December 2015, they were paid **£24,253** and have received a total of **£206,531** in the year to date.

The difference between HB and rent is significant for private tenants. This is due to the Local Housing Allowance (LHA) caps. Although new claims have fallen in Camden, claimants who are already in private properties are finding it hard to cope financially. Claimants circumstances are such that for them to sustain the tenancy the Council has to pay DHP to cover the difference.

# Council Tax Reduction Scheme (CTRS) □

- Council Tax Reduction Scheme (CTRS) covers **91.5%** of Council Tax liability.
- All households affected by one or more of the housing benefit changes will also be affected as nearly all households that receive Housing Benefit also receive CTRS.

In January 2016, **23,703** households in Camden received CTRS.



## CTRS: Number of Claimants in Camden

	Apr-14	Jan-16	Change	%
<b>Non-Working</b>	11,338	10,601	-737	-6.5%
<b>Working</b>	5,180	4,997	-183	-3.5%
<b>Pension Credit</b>	6,182	5,987	-195	-3.2%
<b>Other Pensioners</b>	2,289	2,118	-171	-7.5%
<b>Total</b>	<b>24,989</b>	<b>23,703</b>	<b>-1,286</b>	<b>-5.1%</b>

The number of households in receipt of CTRS has fallen overall since April 2014 by **1,286** (-5.1%) and across all claim types. The largest change by claim type is for **non-working households** with a fall of **737** (-6.5%). By proportion this lower than the fall by **Other Pensioners not on Pension Credit** which has reduced by **171** households (-7.5%). Working households fell by 183 (-3.5%) and those on Pension Credit fell by **195** (-3.2%). Note that people in work are no longer affected by TBC and can claim tax credits.

# Impacts of Housing Benefit reform: Council rent arrears

Arrears rates for households affected by the SSSC is higher than average suggesting they may be struggling to cope financially with the reductions to their housing benefit. [?](#)

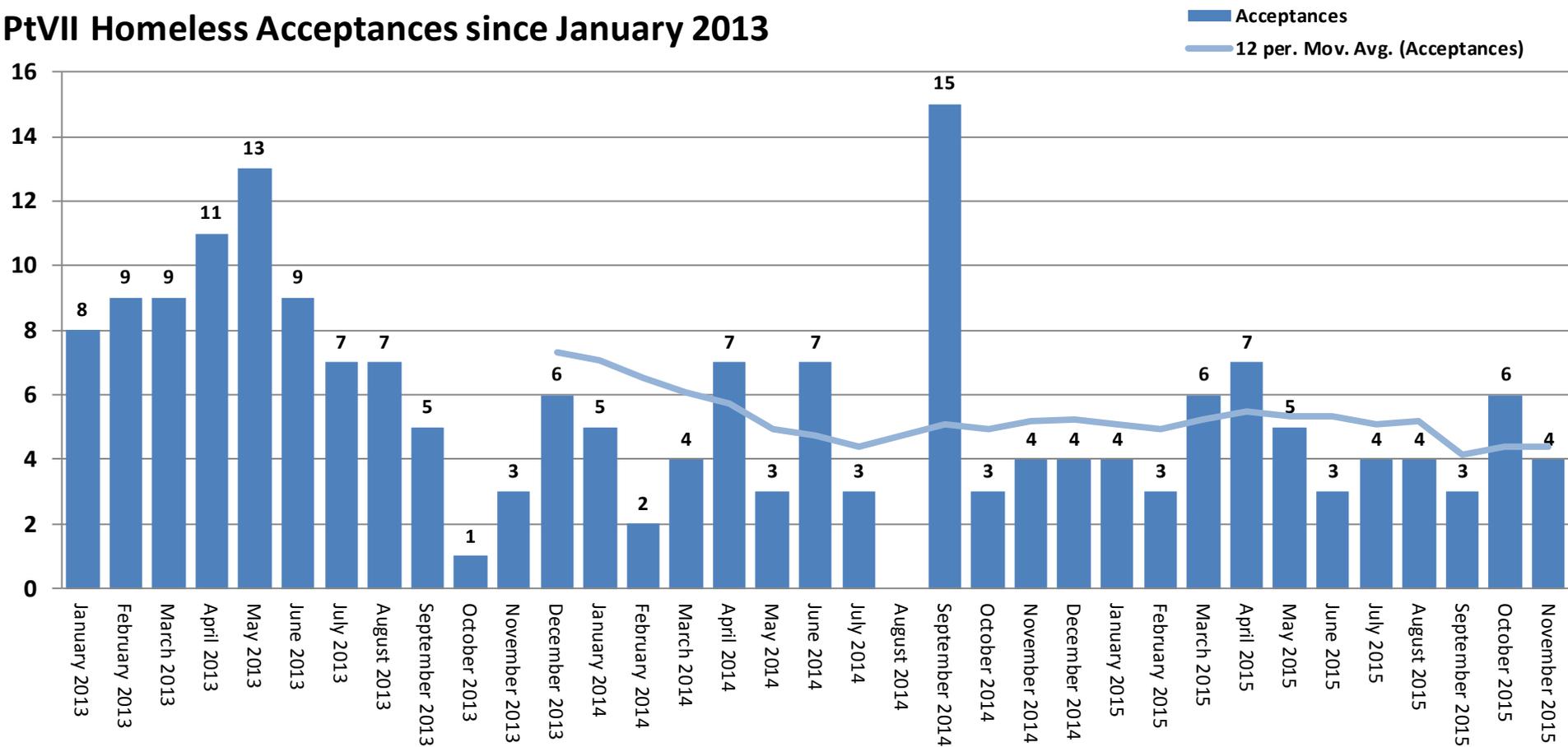
Group	Number	Arrears rate	Average arrears amount
All tenants (excluding TMOs)*	22,838	41.7%	£453
HB Claimants	14,993	41.1%	£368
Affected by SSSC	971	49.0%	£558
Affected by TBC	65	75.0%	£489

\* TMOs = Tenant Management Organisations – see note below

- Data as at 6 December 2015
- Arrears rates include all tenants who are in arrears no matter how small the amount. Only a small proportion are in significant arrears: 4.8% owe more than £1,000, up from 4.5% in July 2014, but down from 5.2% in Sep-15.
- Increases in arrears may also be due to other factors, principally the council taking over the rent collection for a number of Tenant Management Organisations during 2013 many of whose accounts were in arrears
- The rate for SSSC-affected households was higher than for all tenants when it was introduced - 42% compared to 36% for all tenants. In December 2015 it was 49% compared to 41.7% for all tenants. This continues to suggest that these households are struggling to cope with their reduced income. The average amount of arrears is also higher than for other households.
- This makes the support (such as DHPs) offered by the council, to ensure these households can maintain their tenancies, all the more important.

# Impacts of HB reform: Homelessness and Temporary Accommodation I

## PtVII Homeless Acceptances since January 2013



- There were **4** homelessness acceptances in November 2015.
- The average of monthly acceptances is falling: **7.3** in 2013, **5.2** in 2014 and **4.5** in 2015 (to November).
- There were **429** households in Temporary Accommodation (31 Nov-15). This is 201 fewer (-32%) than in July 2013.
- Low homelessness acceptances is likely a reflection of the prevention work by Council, while reductions of people in Temporary Accommodation are a result of a strategy to reduce TA numbers. Both probably mask the impact of Housing Benefit reform.

# Imminent Benefit Changes

## Further reductions to the Total Benefit Cap

The Government plans to further reduce the Total Benefit Cap to £23,000 per year in London. We are waiting for details of when and how this will be applied before estimating the impact.

## Universal Credit

Universal Credit will start in Camden from 14 March 2016. Initially only new claims from single job seekers without a disability will be taken. We are not currently expecting this to be extended to other claimants until 2017.

# Further Benefits Changes April 2016 to April 2018

**A raft of benefits changes are due to be introduced over the next 2 years:**

- Universal Credit (UC) – Digital Service Roll out - 2016 to 2018
- Equalisation of State Pension Age - April 2016
- Universal Credit: Childcare element - April 2016
- Freeze on Working age benefits - April 2016
- New National Living Wage - April 2016
- Universal Credit Work Allowance and Earnings threshold - April 2016
- Reduction in Social Sector Rents - April 2016
- 1% reduction in Social Sector Rents for 4 years - April 2016
- NI contributions for apprentices - April 2016
- Limiting backdating in Housing Benefit – April 2016

Continued ...

# Further Benefits Changes April 2016 to April 2018

- Support for Mortgage Interest - Waiting Period Increased – April 2016
- Housing Benefit – changes to the temporary absence rules - April 2016
- Removal of Pension Credit Assessed Income Period - April 2016
- Single Tier State Pension - April 2016
- Decrease in Tax Credit income disregard to £2,500 - April 2016
- Removing the Housing Benefit and (CTSPR) Family Premium - May 2016
- Universal Credit and Housing Benefit child restriction - April 2017
- Housing Support to be restricted for young people - April 2017
- Family element of Child Tax Credit will to go and to be restricted to 2 children - April 2017
- Universal Credit limitation to 2 children - April 2017

Continued ...

# Further Benefits Changes April 2016 to April 2018

- Removal of support components for ESA new claimants - April 2017
- Increased rents up to market rents for households earning more than £40,000 living in social housing - April 2017
- New youth allowance for 18-21 year olds with work conditionality from day one - April 2017
- Removal of support components for ESA new claimants - April 2017
- Local Housing Allowance rules extended to the Social Sector - April 2018
- Replacement of support for mortgage interest with a loan against the property - April 2018
- Replacement of support for mortgage interest with a loan against the property - April 2018