

Impacts of Welfare Changes in Camden

April 2017



Reference date 1 April 2017

Overview

- The report updates the impacts of changes occurring within Camden as a result of welfare reform. The new lower £23,000 benefit cap was implemented between 7 November and end December 2016 and this analysis starts to include the impact of the new cap.
- As the number of Universal Credit (UC) claims increases, the council's own information on housing benefit claimants will only give a partial picture, as these will no longer show up as Housing Benefit claims. At the present time there are approaching 1,000 UC claims and over 26,000 HB claimants.
- DWP release very limited detail on Universal Credit claimants and there is a degree of data lag:
December 2016: 843 UC households, 36% with housing entitlement.
March 2017: Of the 985 people claiming in 36% were in employment.
All UC claimants are single people without children.

Reduction to the Benefit Cap

- From December 2016 a further **323** household's benefit has been capped and **120** households saw the cap reduced to £23,000.
- From **April 2017** benefits will be restricted to two children for all new claimants
- Specialist council officers continue to work directly with those most affected by the benefit cap to develop personal plans and apply for short term financial support.

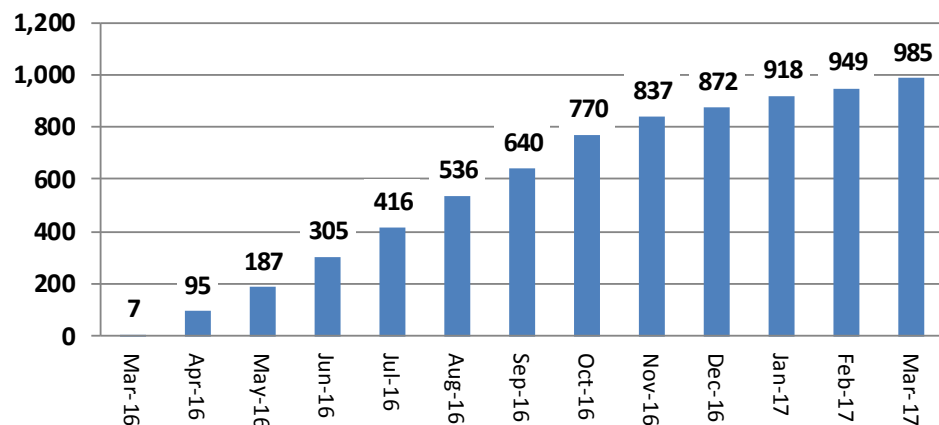
Universal Credit

- There are now almost 1,000 claimants on Universal Credit in Camden. Currently, all are single new claimants without children, many will not have housing costs (school leavers).
- The roll out of Universal Credit for **all new claimants** is planned for September 2018. Migration of existing claimants will take place between 2019 and 2022.
- In April 2017, there were **238** council tenants (all accounts) on Universal Credit. 88% were in arrears and on average owed £1,073.77.

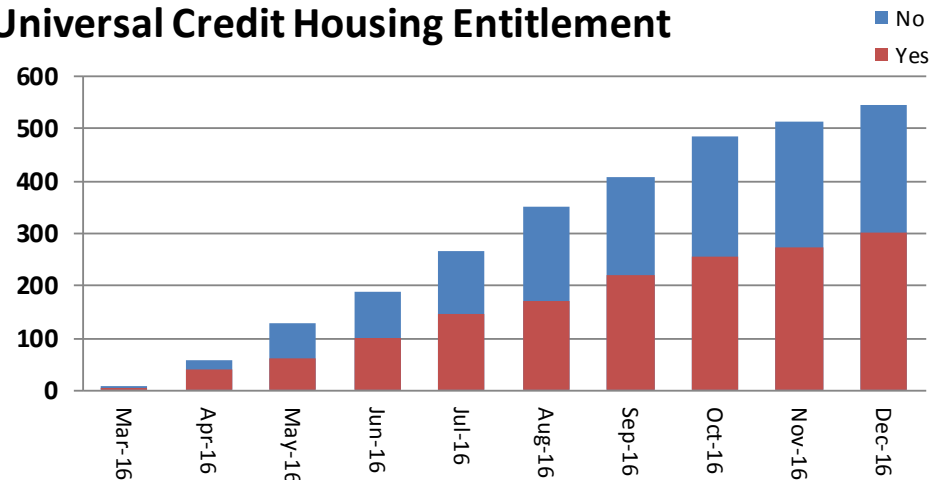
Universal Credit and impact on Housing Benefit statistics

- Universal Credit for new Camden-resident claimants was initiated in March 2016. Claims have risen from **7** in March 2016 to nearly 1,000 (**985**) in March 2017.
- Reductions in Housing Benefit claims result either from people becoming ineligible, or due to new single, childless, claimants receiving UC instead of HB.
- Universal Credit data published by DWP has quite a time lag, with household claim data up to Dec-16 and personal claim data up to March-17.
- DWP Universal Credit statistics show that at Dec-16 **36%** were in receipt of the housing entitlement; while at Mar-17 **36%** of claimants were in work.

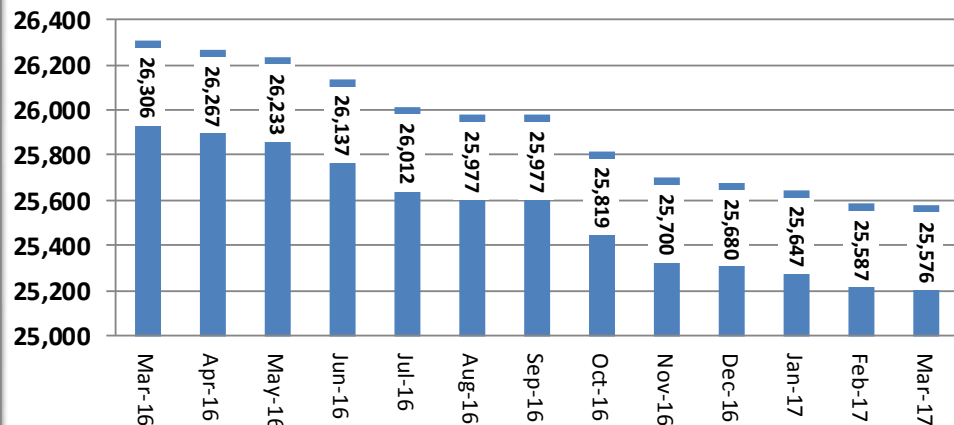
Universal Credit Claimants



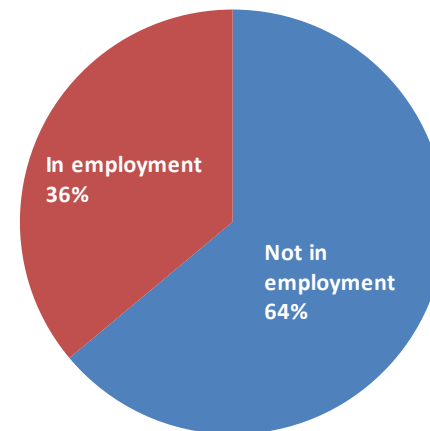
Universal Credit Housing Entitlement



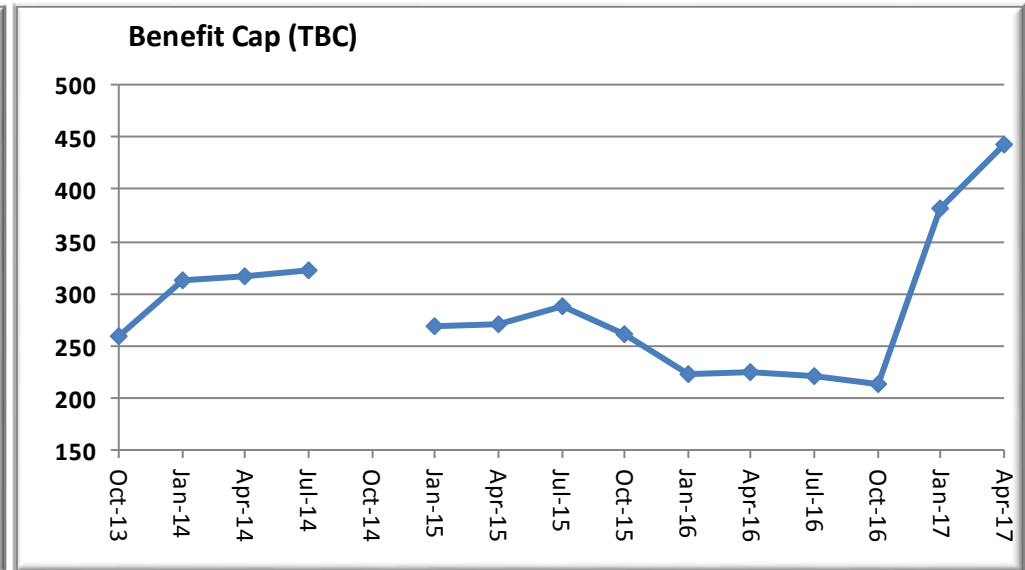
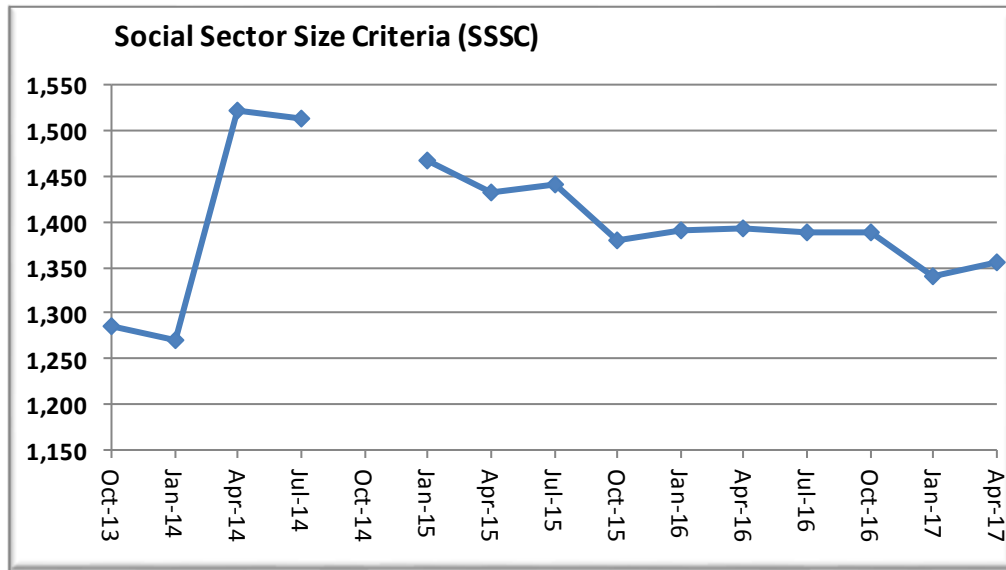
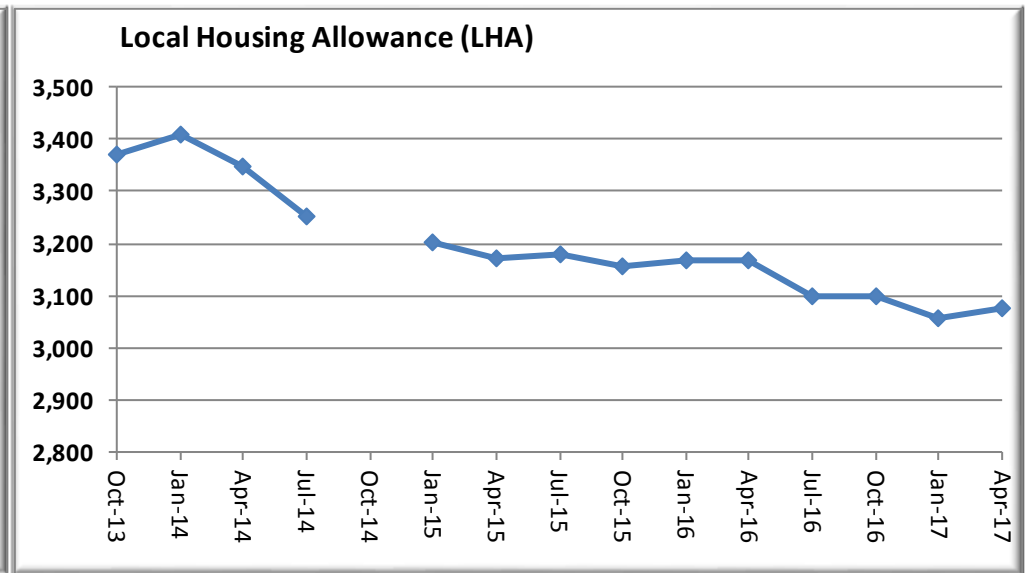
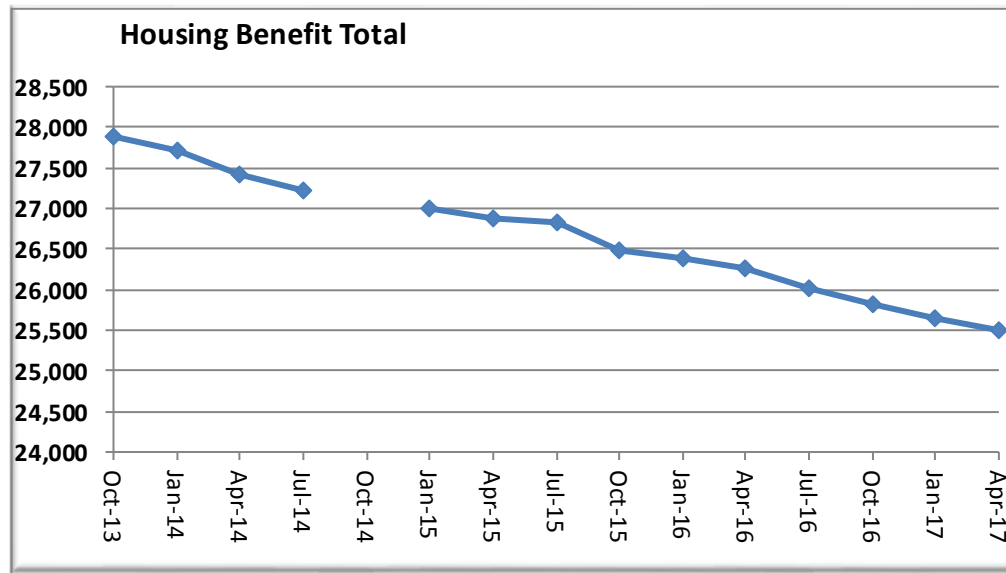
Housing Benefit Claimants



UC Claimants by Employment Status March 2017



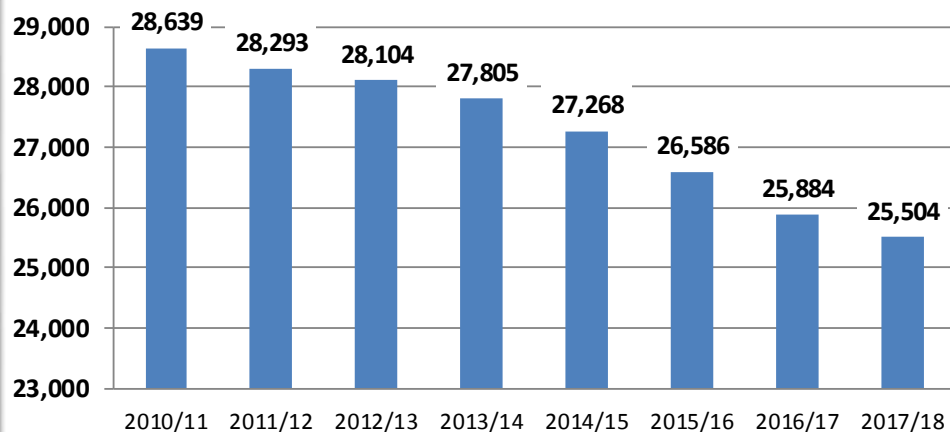
Housing Benefit time-series



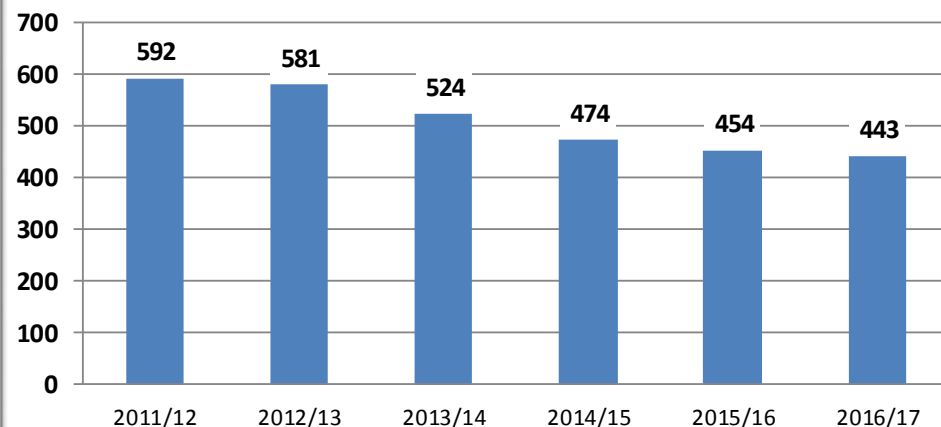
Housing Benefit Overview

- There has been a **25%** decrease in the number of new claims received per month since 2011/12.
- Reasons for decrease in total number of HB claims is due to people starting work, moving out of the borough, or claiming Universal Credit from 14 March 2016.
- Housing Benefit (HB) claimants constitute around **a quarter** (24%) of Camden households.
- 70% of claimants are working aged, and most of these will be affected by Universal Credit.

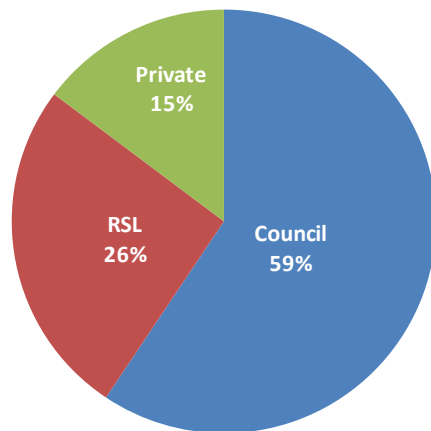
Total Claims



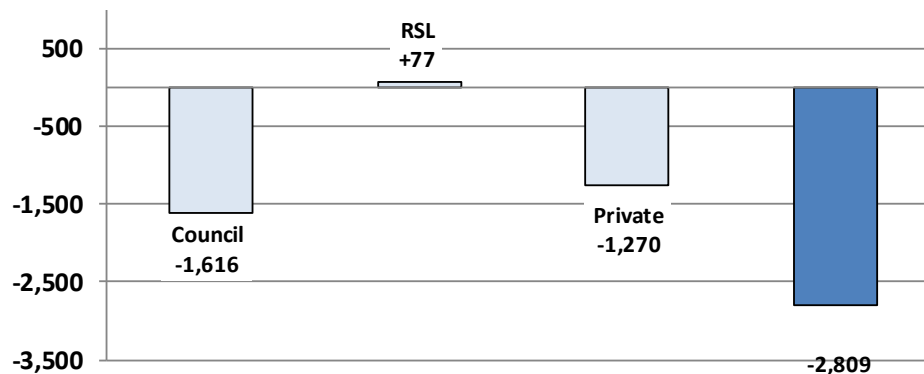
New Claims (monthly average)



Claims by Tenure, April 2017



Change in the number of HB claimants by tenure March 2010 to April 2017



Local Housing Allowance (LHA) Overview

3,076 residents claiming LHA,
on average receiving £255.13 per week.

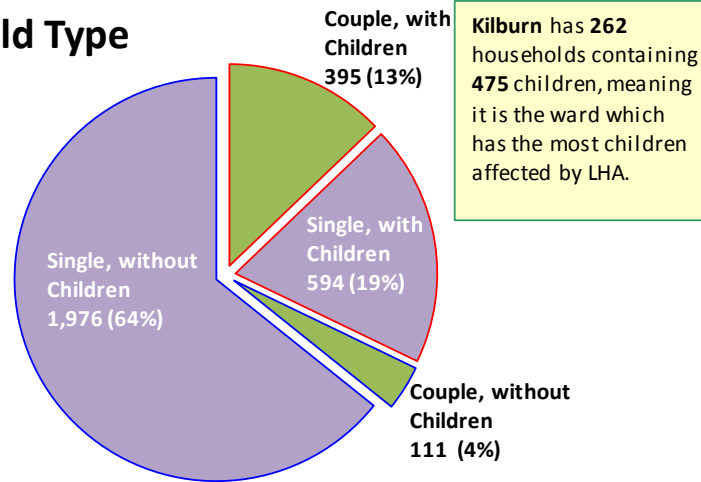
1,661 children across Camden live
in households claiming LHA.

2,570 single adult households in Camden claim LHA.
This is 84% of all LHA households.

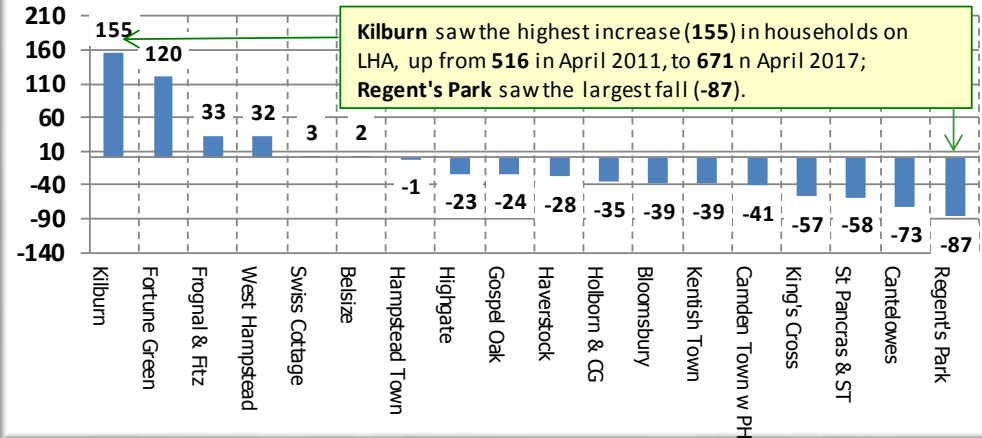
LHA	Average LHA	HHs with Children	% HHs with Children	Number of Children	Number Passported	% Passported	Number Single	% Single	Number of Couple HHs	% of Couple HHs
3,076	£255.13	989	32%	1,661	1,375	45%	2,570	84%	506	16%

LHA Household Type

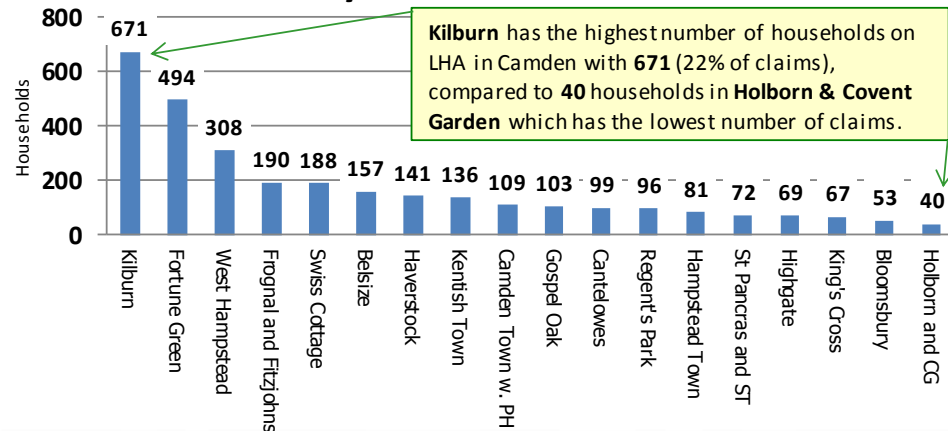
The highest concentration of single adult claimants (388), including lone parents (152), is in Kilburn.



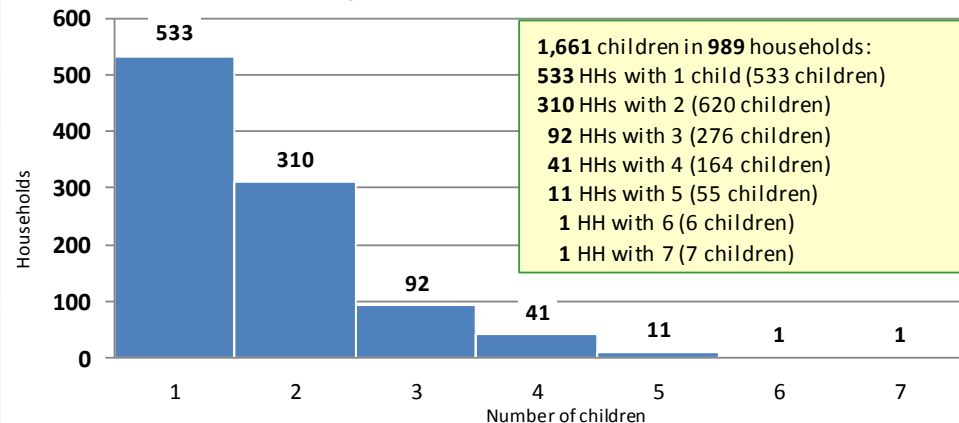
LHA Ward Movement from April 2011



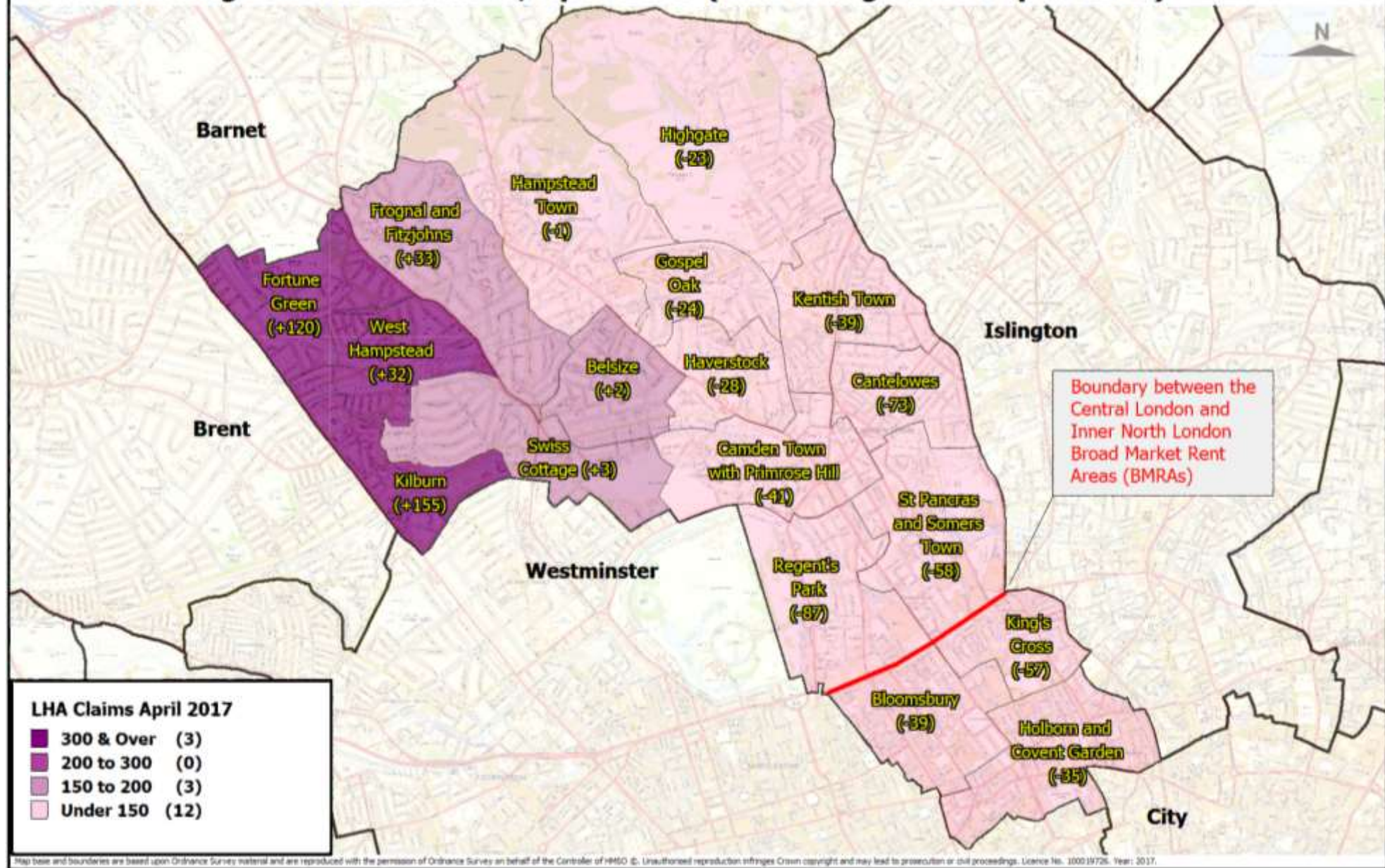
LHA Distribution by Ward



LHA Households by Number of Children



Local Housing Allowance Claims, April 2017 (and change since April 2011)

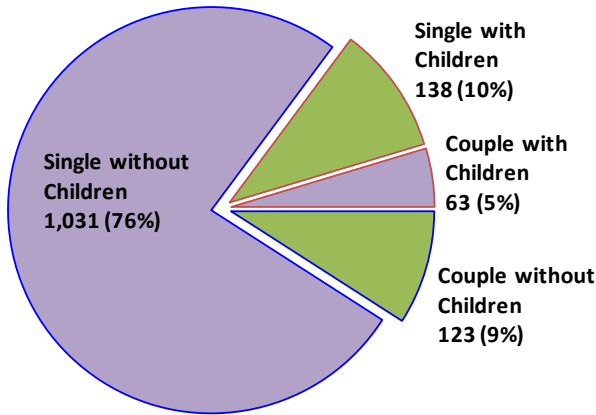


Social Sector Size Criteria (SSSC) Overview

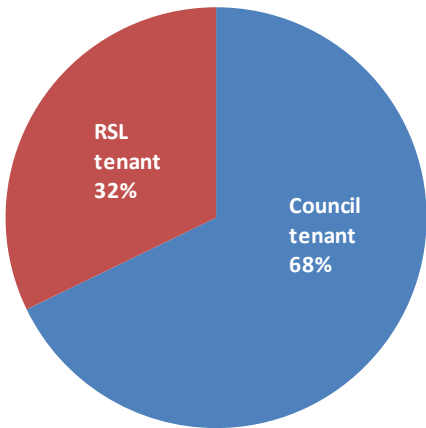
1,355 households in Camden are affected by SSSC with an average lose £22.46 per week. There are now 166 fewer households affected by SSSC than in Apr-14 (-11%).

Total SSSC	Househods with Children	% Households with Children	Total Number of Children	Number Passported	% Passported	Single Claimants	% Single Claimants	Couple Claimants	% Couple Claimants	Council tenant	RSL tenant
1,355	201	15%	307	885	65%	1,169	86%	186	14%	919	436

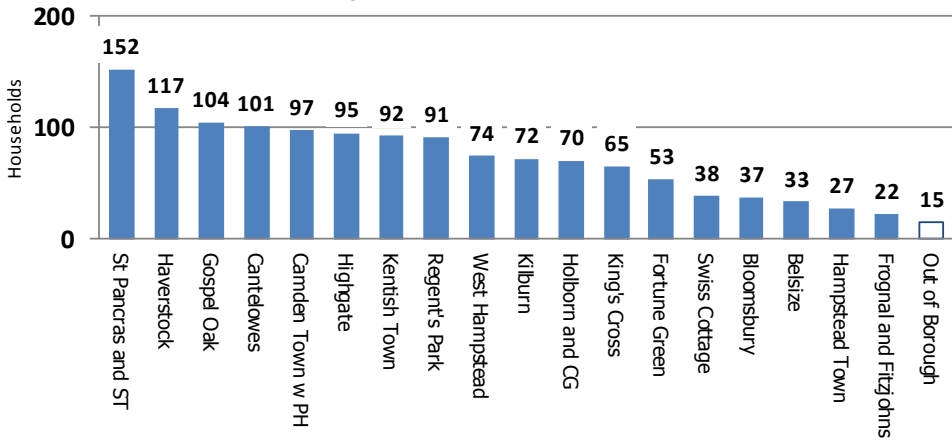
SSSC Household Type



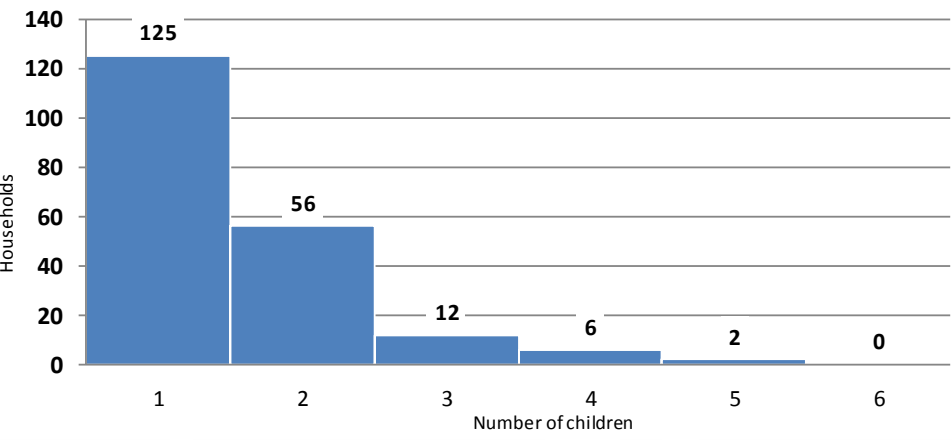
SSSC Tenure



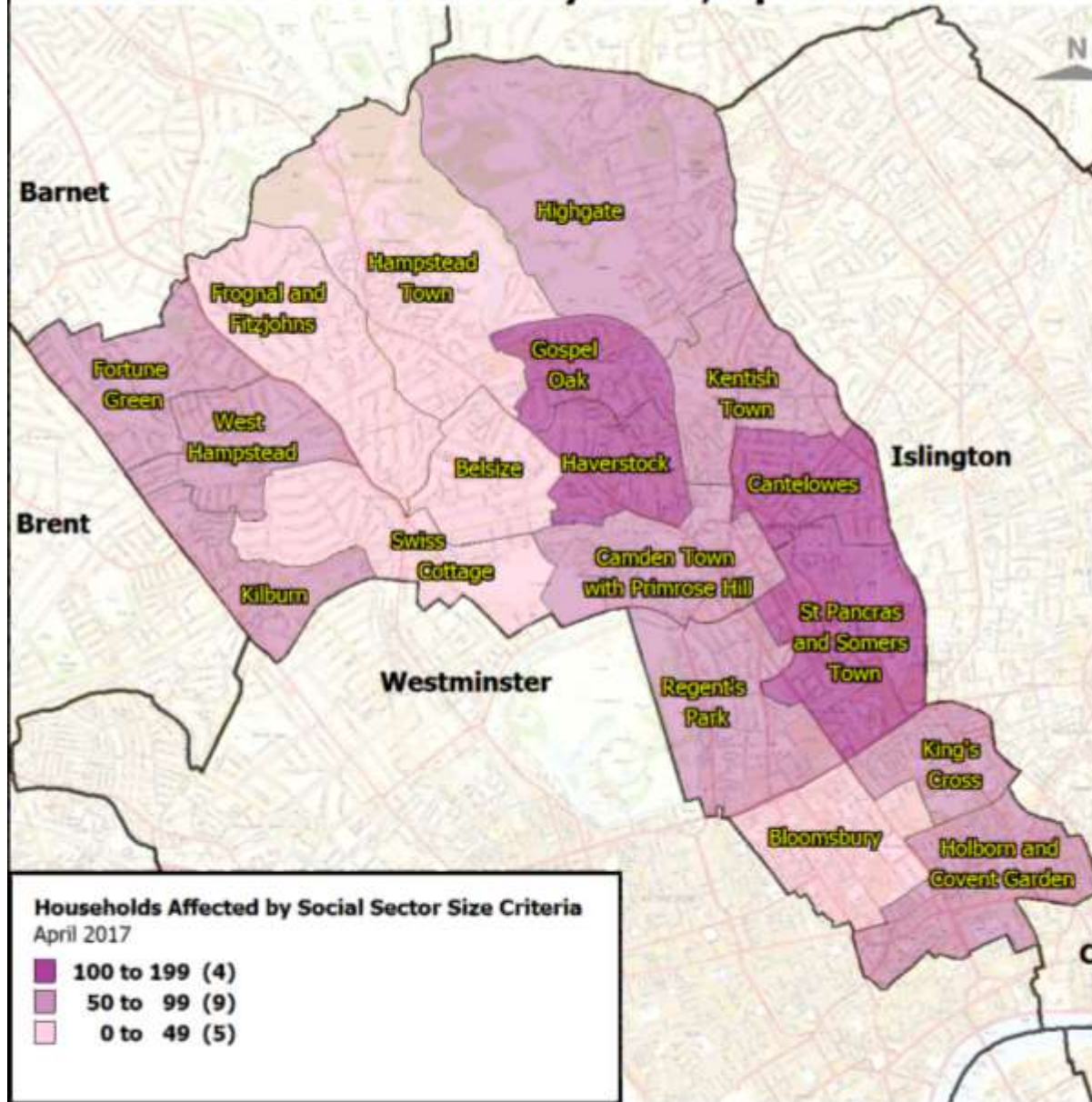
SSSC Distribution by Ward



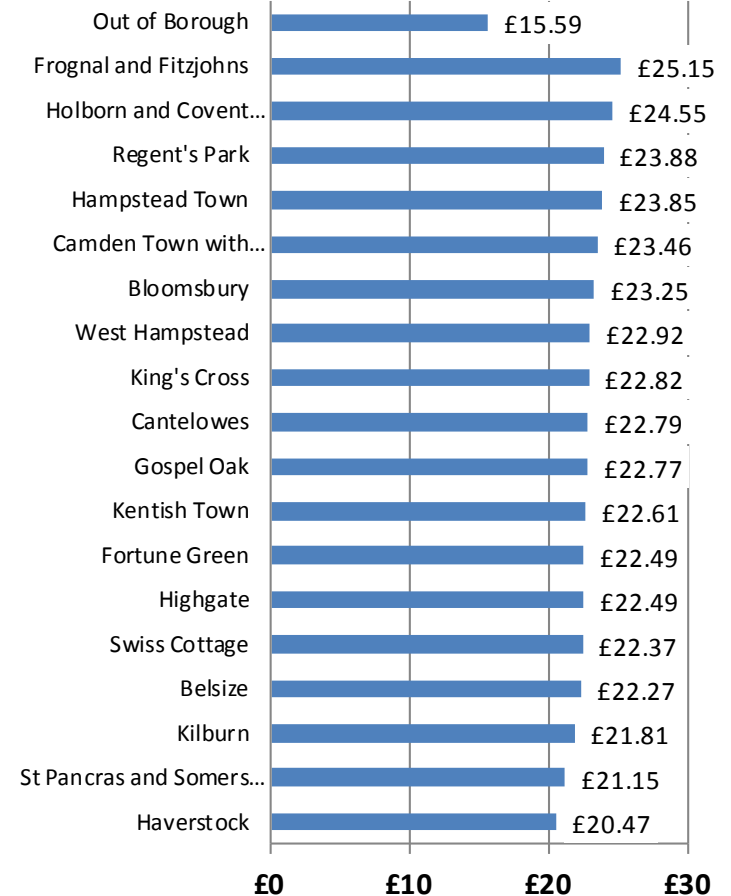
SSSC Households by Number of Children



Social Sector Size Criteria by Ward, April 2017



Average SSSC Loss (£)



The lowest average loss is **£20.47 p/w** in **Haverstock** ward.

The highest average loss is **£25.15 p/w** in **Frogna and Fitzjohns** ward.

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SSSC: Council Tenancies in Arrears

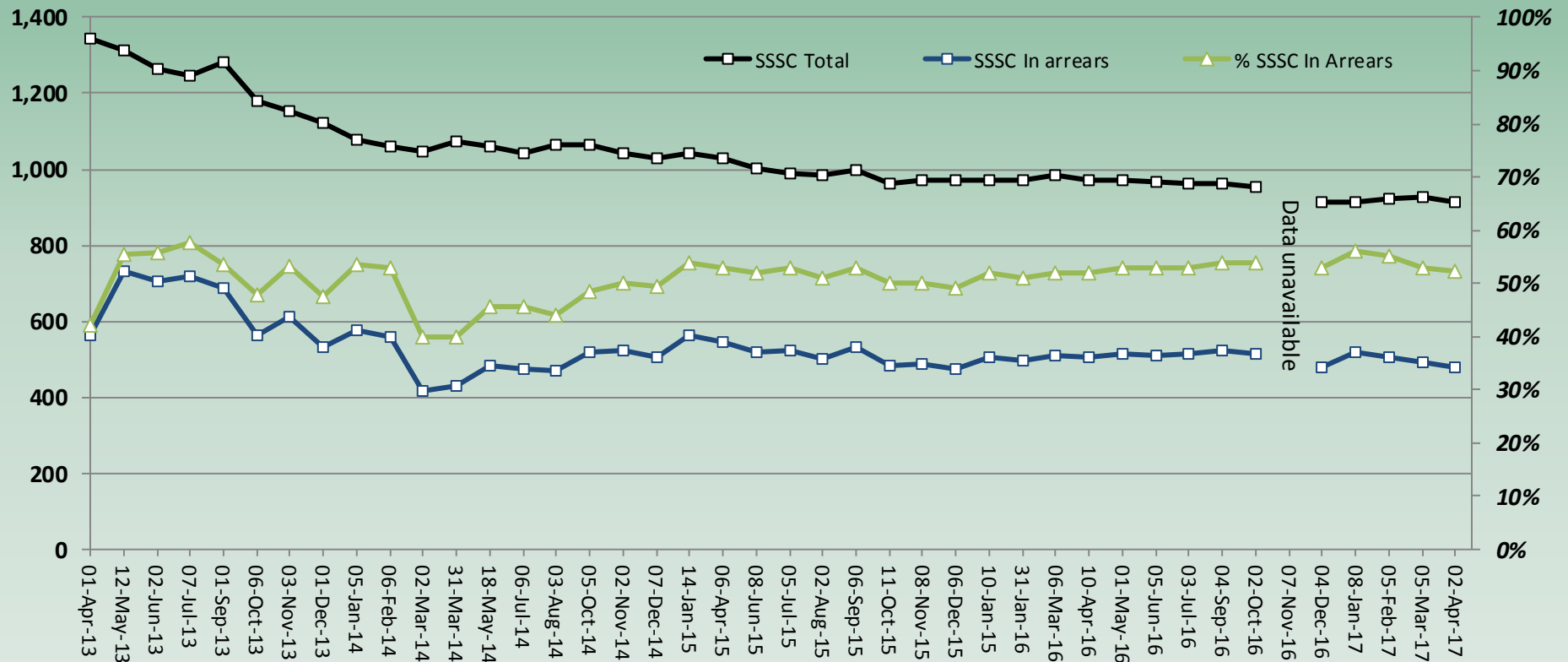
Latest SSSC Arrears

April 2017

- 477 (52%) SSSC tenants are in arrears
- 62 (7%) SSSC tenants owed over £1,000

In the year to April 2017

- SSSC total has fallen 6% since Apr-16.
- SSSC in arrears has fallen 6% since Apr-16.
- Arrears rate (52%) has not changed since Apr-16.
- Proportion of SSSC arrears of total arrears has fallen 1%.

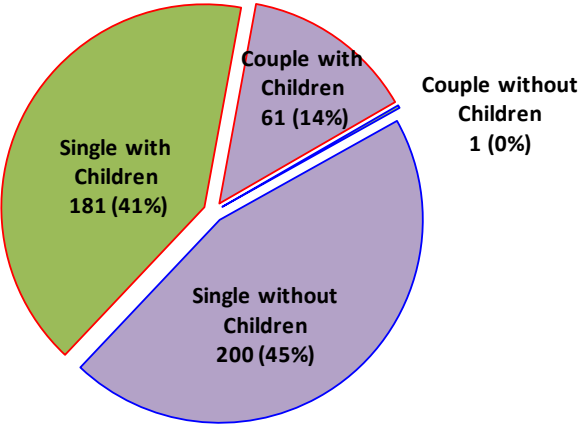


Benefit Cap Overview

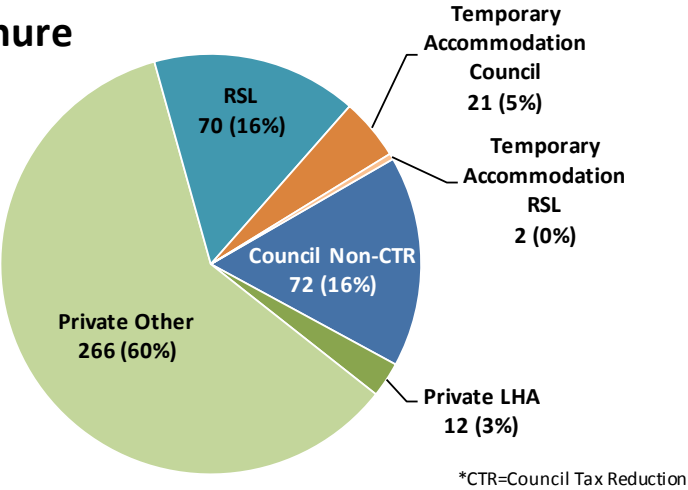
443 households affected in October 2016, 242 of these contain children. £56.48 per week average benefit loss.

Total affected by Benefit Cap	Average Benefit Cap (£)	Number of Households with Children	% Households with Children	Total Number of Children	Number Passported	% Passported	Number Single Claimants	% Single Claimants	Number Couple Claimants	% Couple Claimants
443	£56.48	242	55%	669	184	42%	381	86%	62	14%

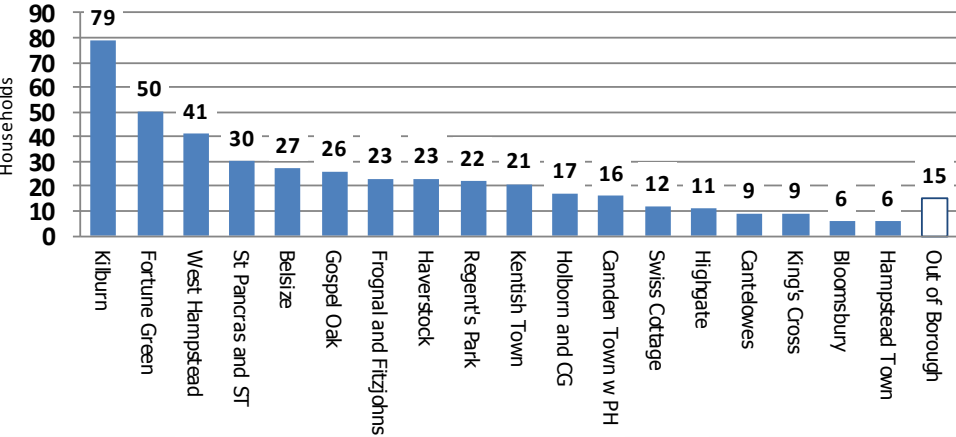
Benefit Cap Household Type



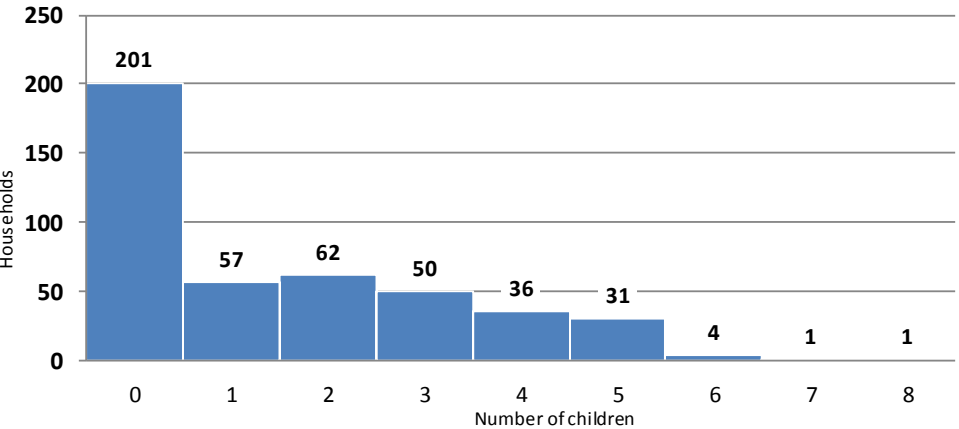
Benefit Cap Tenure



Benefit Cap Distribution by Ward

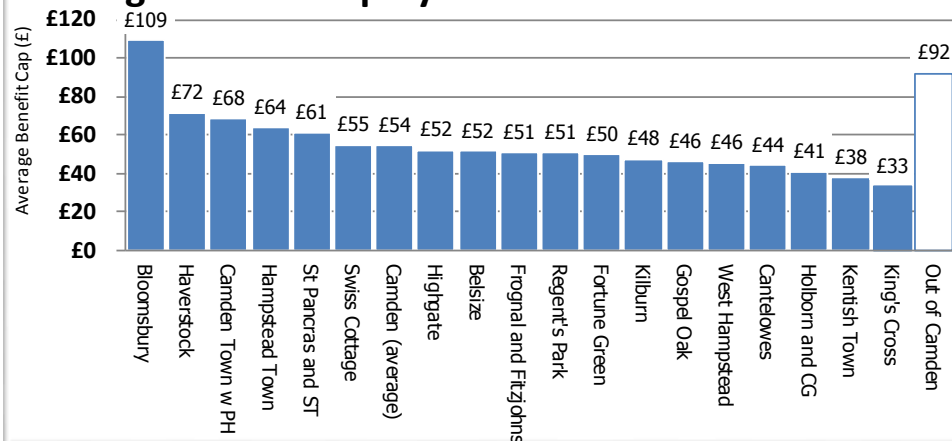


Benefit Cap Households by no. of Children



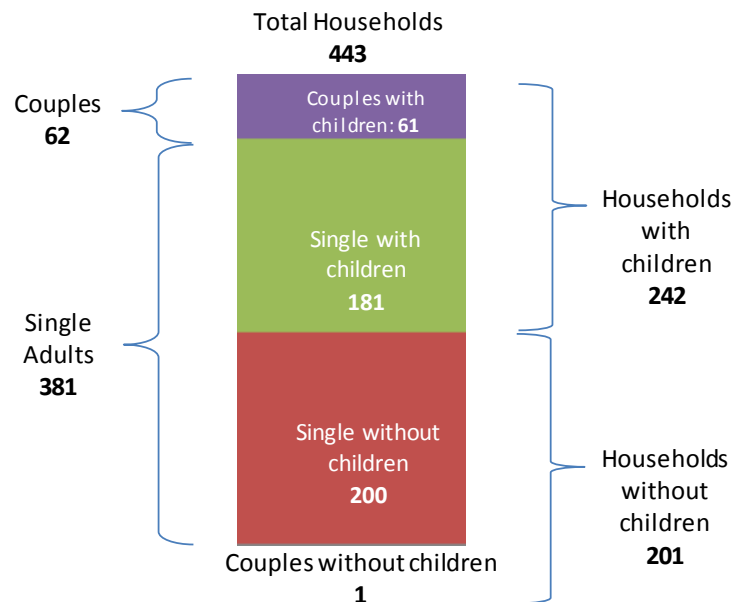
Benefit Cap - Continued

Average Benefit Cap by Ward



There are currently **443** Benefit Cap cases in Camden.

Benefit Cap Household profile



Benefit Cap Arrears (2 April 2017)

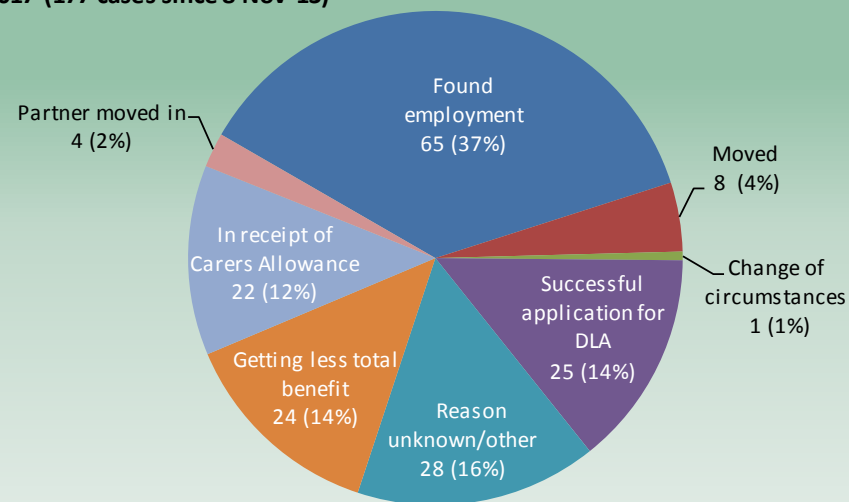
Council tenants only

- 39 households in arrears, up from 28 in Oct-16.
- Average arrears are £563 (£661 in Oct-16).
- Average arrears rate 54% (60% in Oct-16).
- Average Benefit Cap arrears account for less than 1% (0.51%) of total arrears.
- High arrears cases characterised by: large families with young children and babies; with a lone parent mother; more from Bangladeshi and Somali groups.

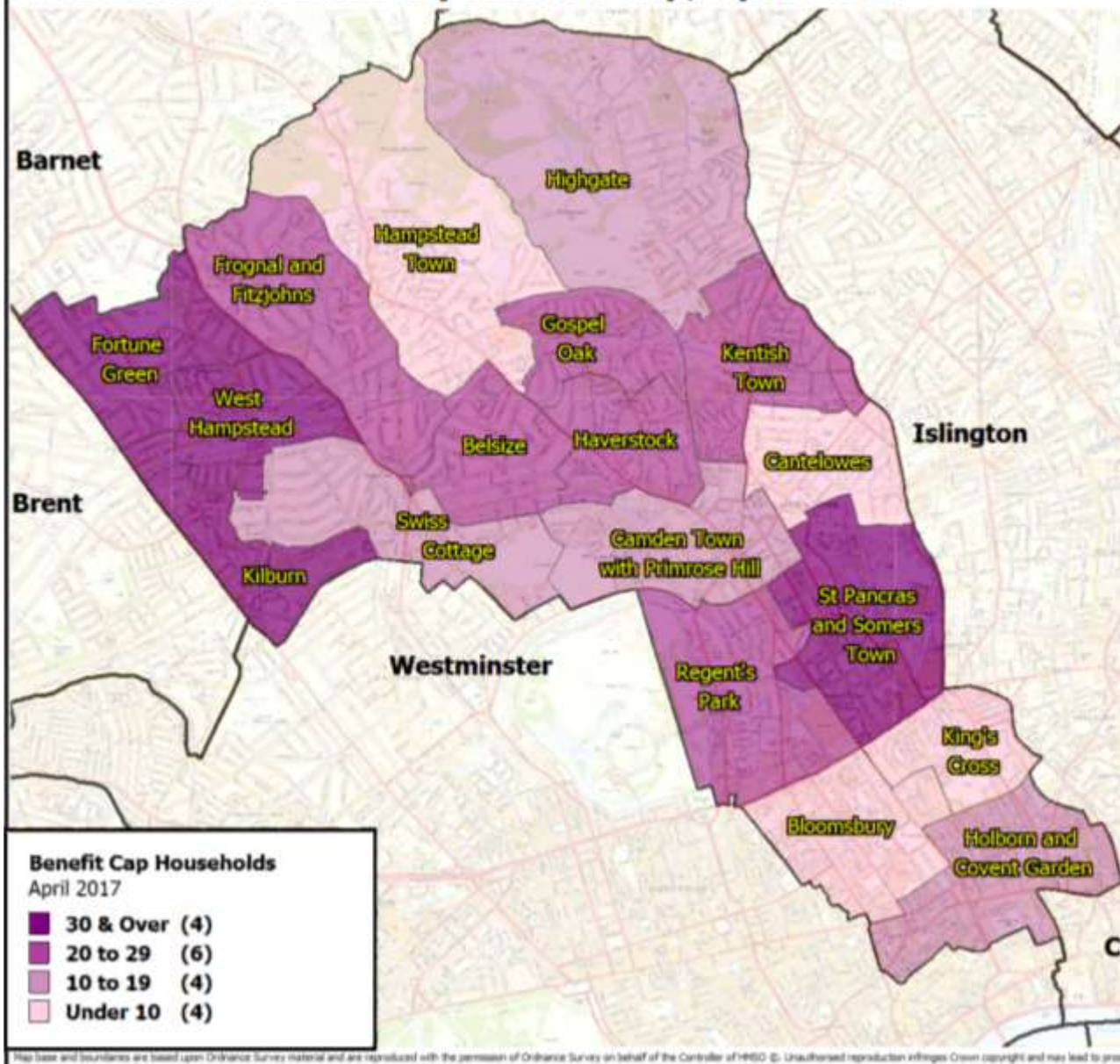
Reasons Benefit Cap no longer applies

Council tenants only

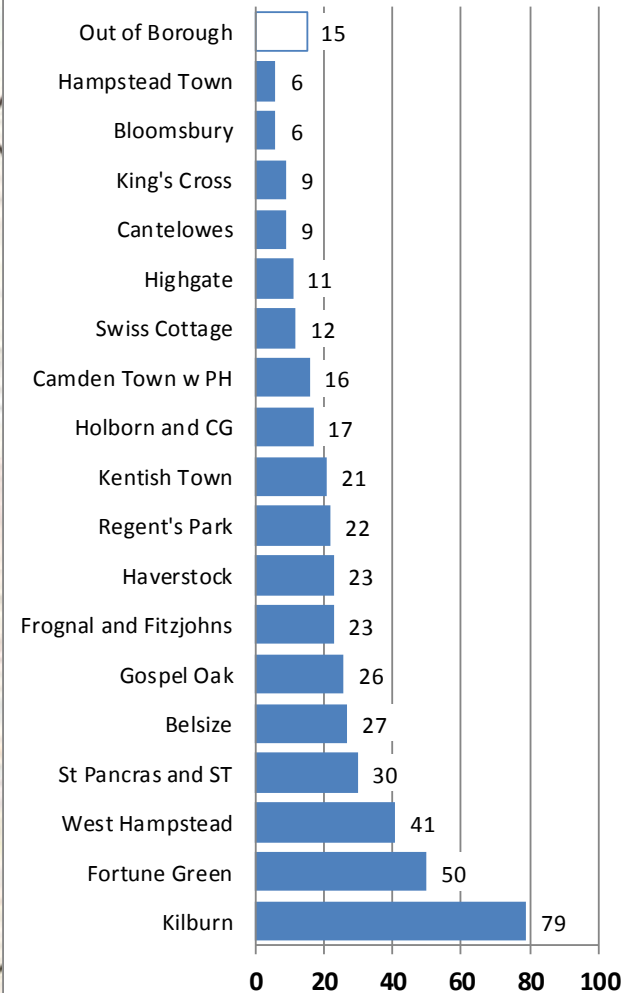
2 April 2017 (177 cases since 8 Nov-13)



Households affected by Benefit Cap, April 2017



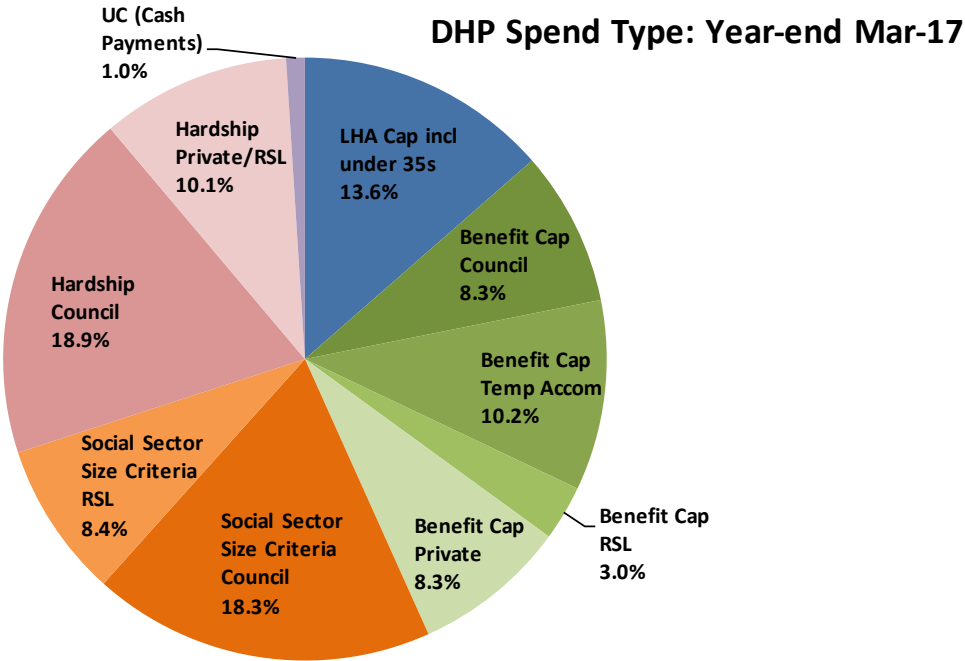
Benefit Cap Households



Discretionary Housing Payments (DHP) Spend 2016-17

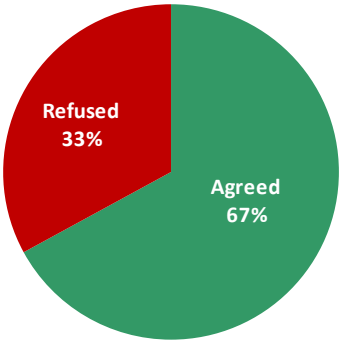
Discretionary Housing Payments are used to mitigate the impact of welfare changes and the funding allocated by the Department for Work and Pensions (DWP) to Camden has varied each year depending on what benefit changes are being implemented. The allocation for 2016/17 was increased to assist with the introduction of the lower benefit cap.

Type	Type	End of Mar-17
Local Housing Allowance (LHA) Cap including under 35s		£140,216
Total Benefits Cap (TBC)	Council tenants	£85,817
	Temporary Accommodation tenants	£105,558
	RSL tenants	£30,556
	Private tenants	£85,493
Social Sector Size Criteria	Council tenants	£189,680
	RSL tenants	£86,393
Hardship	Council tenants	£195,164
	Private tenants	£104,953
Universal Credit (Cash Payments)		£10,353
Total		£1,034,183



DHP Applications: Acceptances/Refusals

Total DHP applications received to year-end March 2017: **1,542**

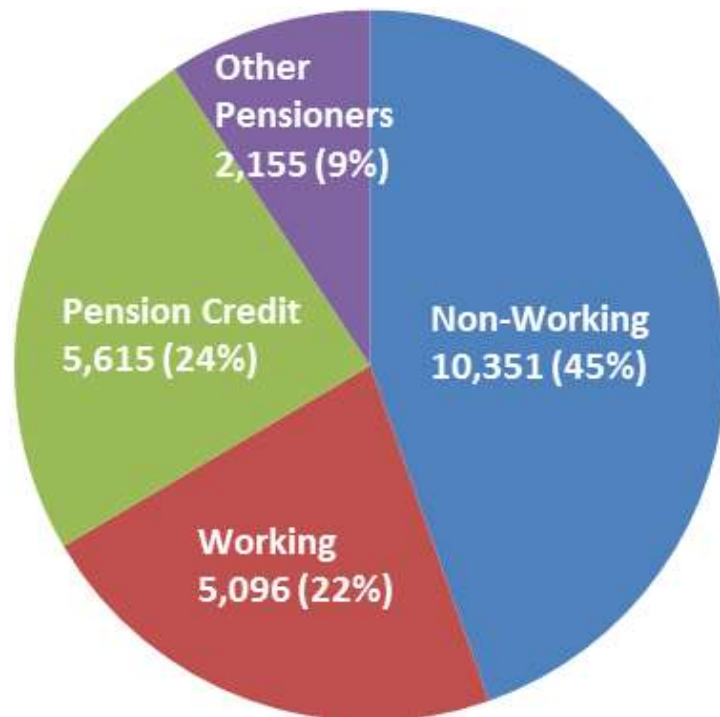


DHPs are mainly used to assist tenants manage short falls in rent while being helped to find longer term solutions. **At year end 2016/17** the largest group of people who had received a DHP were **364** tenants impacted by the Social Sector Size Criteria ('bedroom tax') receiving **£276,073**, 27% of DHP spend in the financial year to March 2017.

Council Tax Reduction Scheme (CTRS)

- Council Tax Reduction Scheme (CTRS) covers **92.6%** 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. CTRS will be 100% from April 2017.

In April 2017, **23,217** households in Camden received CTRS.



CTRS: Number of Claimants in Camden

	Apr-14	Apr-17	Change	%
Non-Working	11,338	10,351	-987	-8.7%
Working	5,180	5,096	-84	-1.6%
Pension Credit	6,182	5,615	-567	-9.2%
Other Pensioners	2,289	2,155	-134	-5.9%
Total	24,989	23,217	-1,772	-7.1%

The number of households in receipt of CTRS has fallen overall since April 2014 by **1,772** (-7.1%) and across all claim types. The largest change by claim type is for **non-working households** with a fall of 987 (-8.7%). By proportion this is lower than the fall by those on **Pension Credit** which has reduced by 567 households (-9.2%). Working households fell by 84 (-1.6%) and Other Pensioners fell by 134 (-5.9%). Note that people in work are no longer affected by the benefit cap and can claim tax credits.

Impacts of Housing Benefit reform: Council rent arrears

Arrears rates for households affected by the Benefit Cap and Social Sector Size Criteria (SSSC) is higher than average arrears, suggesting they may be struggling to cope financially with the reductions to their housing benefit. Difficulties are emerging with Universal Credit claims causing a high incidence and amount of arrears for these claimants.

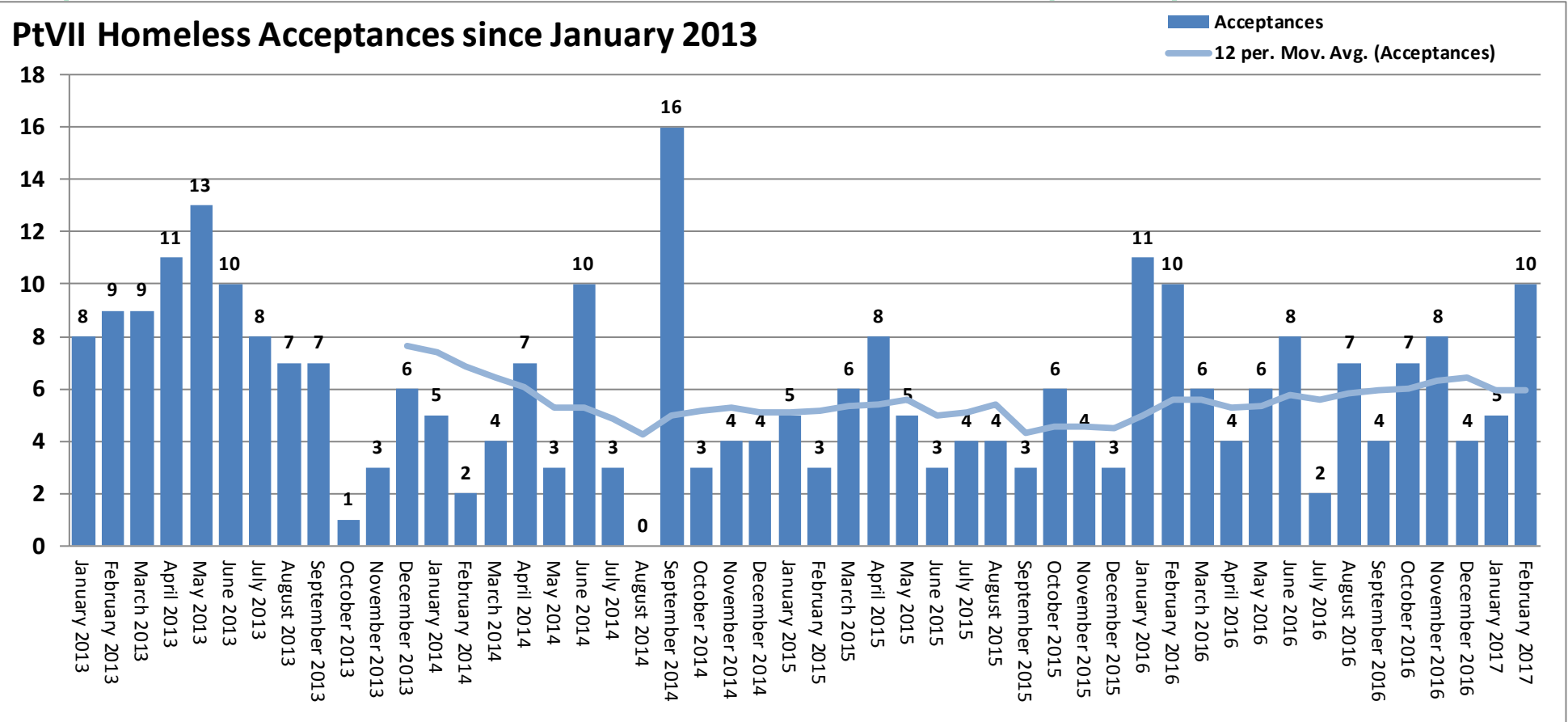
Group	Number in arrears	Arrears rate	Average arrears amount
All tenants (excluding TMOs)*	22,661	38.1%	£499
HB Claimants	14,357	37.3%	£366
Affected by SSSC	915	52.1%	£470
Affected by Benefit Cap	72	54.0%	£563
Universal Credit	241	88.2%	£1,095

* TMOs = Tenant Management Organisations – see note below

- Data as at 2 April 2017.
- Arrears rates include all tenants who are in arrears no matter how small the amount. Only a small proportion are in significant arrears (e.g. 5.2% owed more than £1,000 in April 2017).
- The rate for SSSC-affected households was higher than for all tenants when it was introduced - 42% compared to 36% for all tenants. In April 2017 it was 52% compared to 38% 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, £470 compared to £366 for Housing Benefit claimants.
- This makes the support (such as DHPs) offered by the council all the more important, to ensure that these households can maintain their tenancies; DHP is agreed to help sustain tenancies where households are actively engaged in downsizing.
- Universal Credit claimants have much higher arrears rate of 88%, with arrears averaging £1,095 per claimant. These arrears are growing as a share of total rent arrears: 5.4% in April 2017 compared to 2.7% in October 2016.

Impacts of HB reform: Homelessness and Temporary Accommodation

PtVII Homeless Acceptances since January 2013



- There were **10** homelessness acceptances in February **2017**.
- Acceptances over the past twelve months totalled **71**, slightly higher than the previous twelve month period, **67**.
- Average monthly acceptances were falling: **7.7** in 2013; **5.1** in 2014; **4.5** in 2015, but were up to **6.4** in 2016 and **7.5** in 2017.
- There were **394** households in Temporary Accommodation (Mar-17). This is 271 fewer (-41%) than in Jan-13.
- 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.