

Impacts of Welfare Changes in Camden

October 2016



Reference date 1 October 2016

Overview

- The report updates the impacts of changes occurring within Camden as a result of welfare reform. The new lower £23,000 benefit cap is in being implemented between 7 November and end December 2016. This analysis marks the extent of welfare changes before the effects of the new cap are felt.
- There will be a hiatus in the availability of statistics until April 2017 when the effects of the new cap will become evident. However, as the number of 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. Analysis of the statistics for people who are claiming Universal Credit will be included in the next report.
- The effect of LHA rates being fixed for the second year while private sector rents continue to rise suggests a migration of claims to the north-west of Camden (Kilburn, Fortune Green and West Hampstead), though DWP have not provided flow data to evidence this.

Reductions to the Benefit Cap

- The Government further reduced the Benefit Cap to £23,000 a year in London from 7th November 2016. **179 households** in Camden are affected by the reductions so far, **115** of which contain children.
- A further **526** claimants will be affected by the next roll-out on 19 December 2016. It is estimated that **1,110** children may be affected in **383** families.

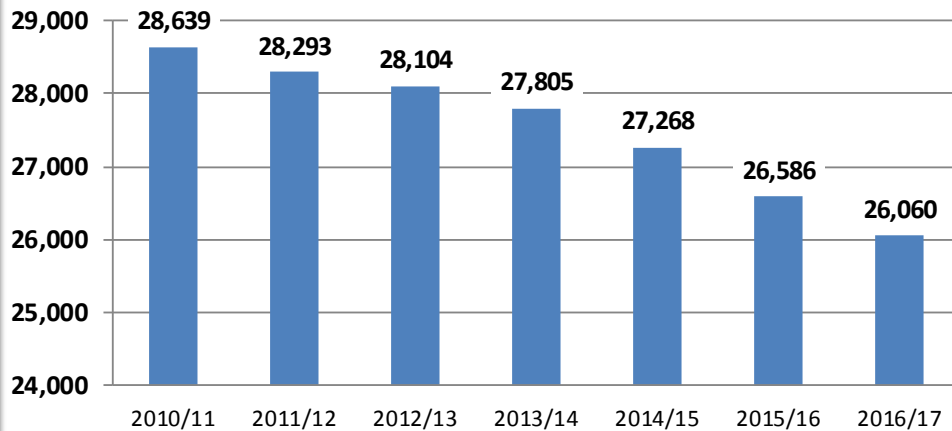
Universal Credit

- **770** Camden residents are on Universal Credit. All are single new claimants without children, many will not have housing costs (school leavers).
- **173** are council tenants, of which **85%** are in arrears with average arrears of **£1,041**. Main issues relate to: delays in awarding housing element; inconsistent notifications (<30%); issues with picking up need to alternative payments early; and lack of clarity on award letters.
- **Next phase** of roll-out in Camden will be for **all working age new claims** (September 2018). Migration of existing claimants will take place between 2019 and 2022 - there are no dates for pensioner claimants.

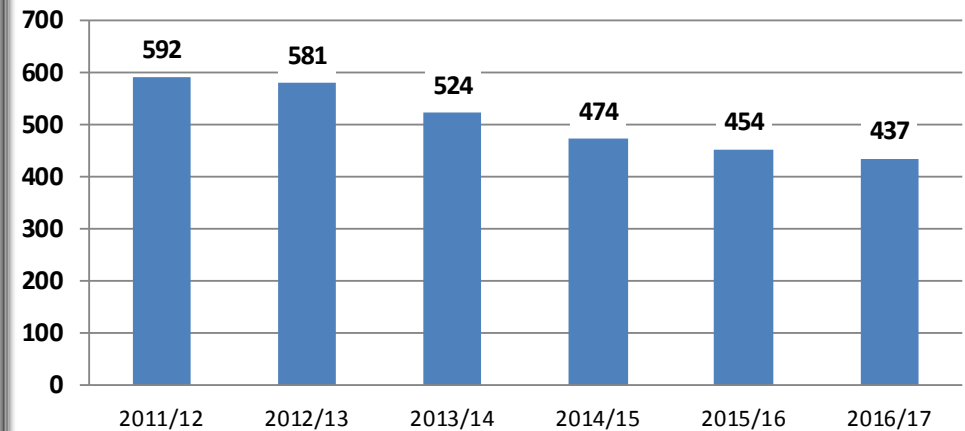
Housing Benefit Overview

- There has been a **26%** 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** of Camden households.
- 70% of claimants are working aged, and most of these will be affected by Universal Credit.

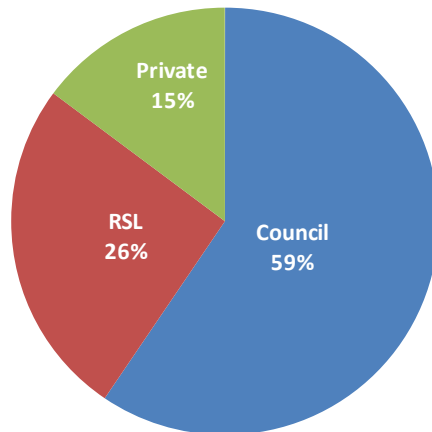
Total Claims



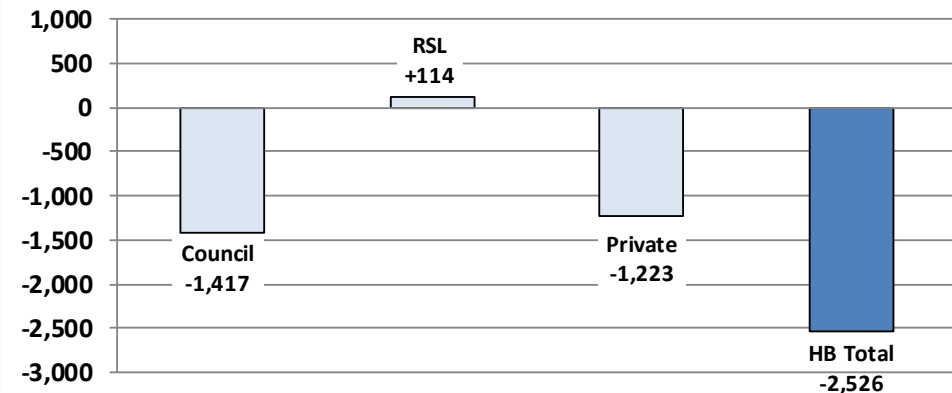
New Claims (monthly average)



Claims by Tenure, October 2016



Change in the number of HB claimants by tenure March 2010 to October 2016



Local Housing Allowance (LHA) Overview

3,099 residents claiming LHA,
on average receiving **£253.11** per week.

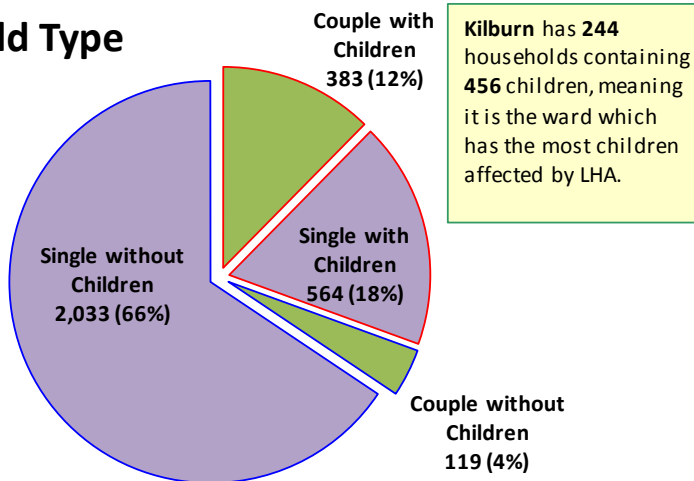
1,566 children across Camden live
in households claiming LHA.

2,597 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
3,099	£253.11	947	31%	1,566	1,403	45%	2,597	84%	502	16%

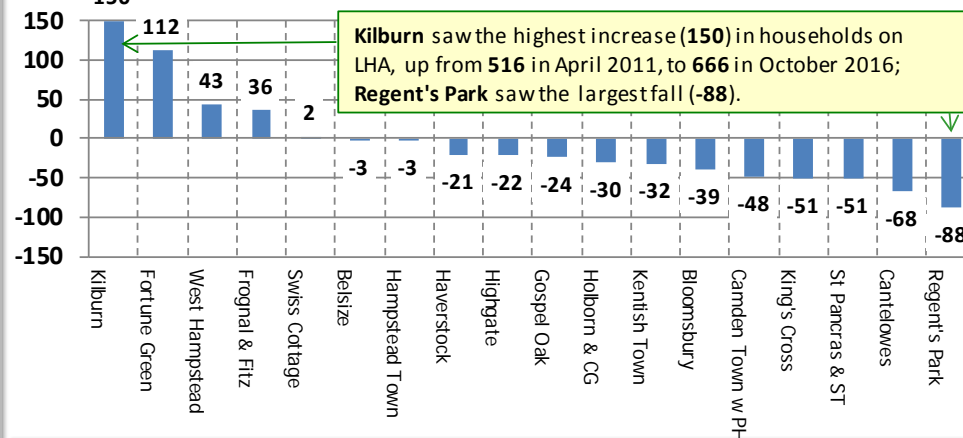
LHA Household Type

The highest concentration of single adult claimants (400), including lone parents (136), is in Kilburn.

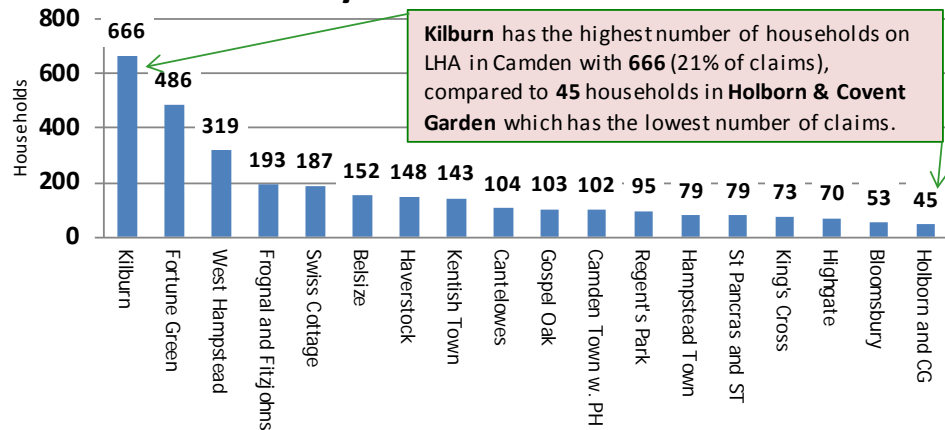


Kilburn has 244 households containing 456 children, meaning it is the ward which has the most children affected by LHA.

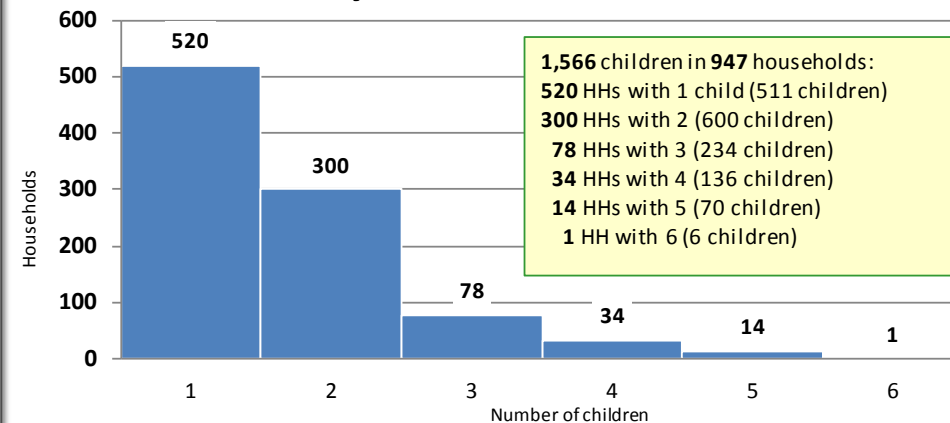
LHA Ward Movement from April 2011



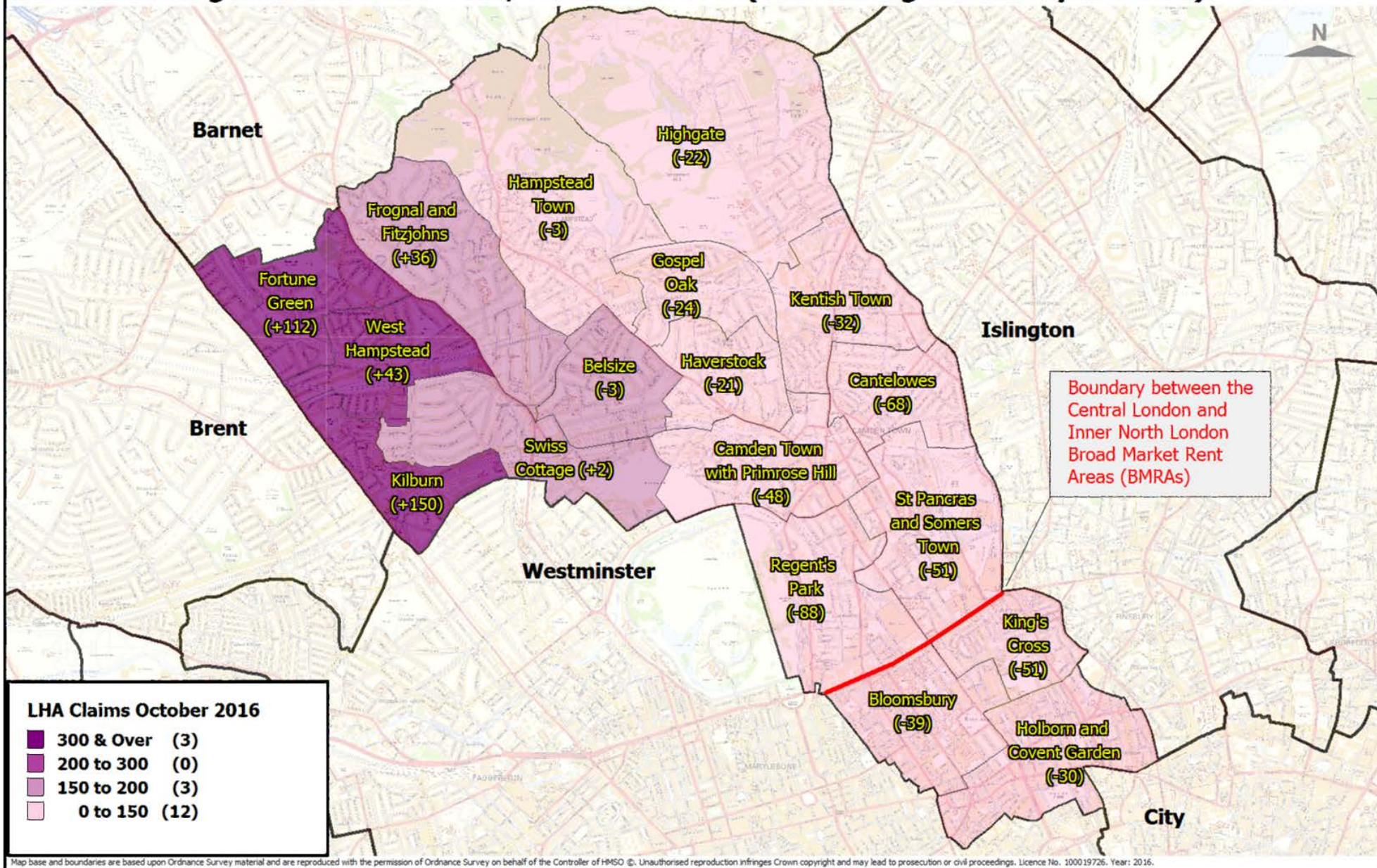
LHA Distribution by Ward



LHA Households by Number of Children



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

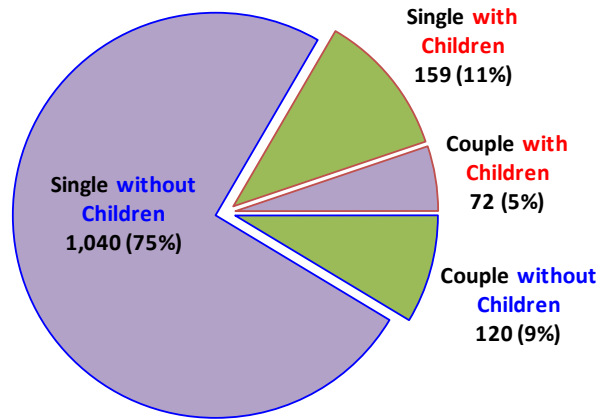


Social Sector Size Criteria (SSSC) Overview

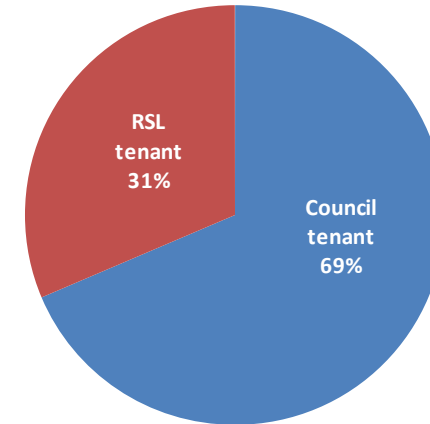
1,391 households in Camden are affected by SSSC with an average lose **£22.64** per week. There are now **133** fewer households affected by SSSC than in Apr-14 (-9%).

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
1,391	231	17%	373	895	64%	1,199	86%	192	14%	954	437

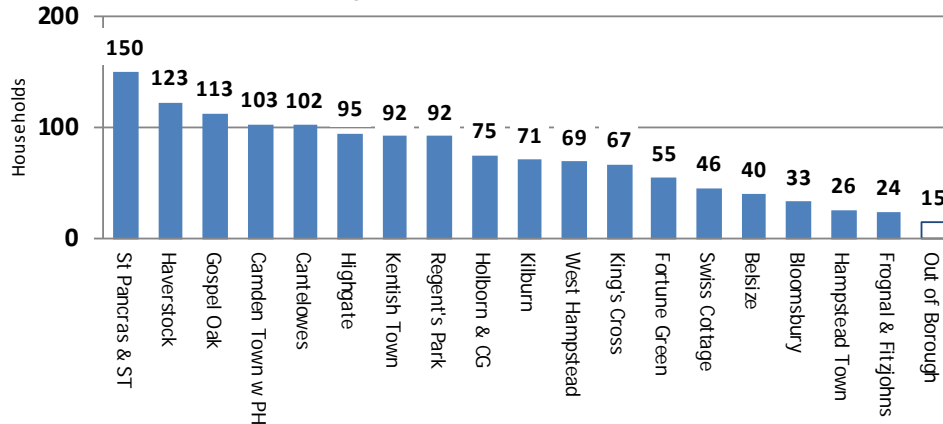
SSSC Household Type



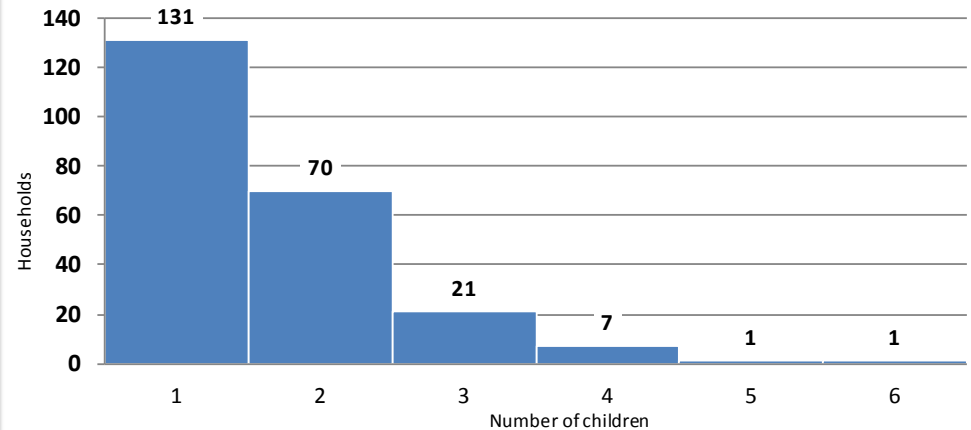
SSSC Tenure



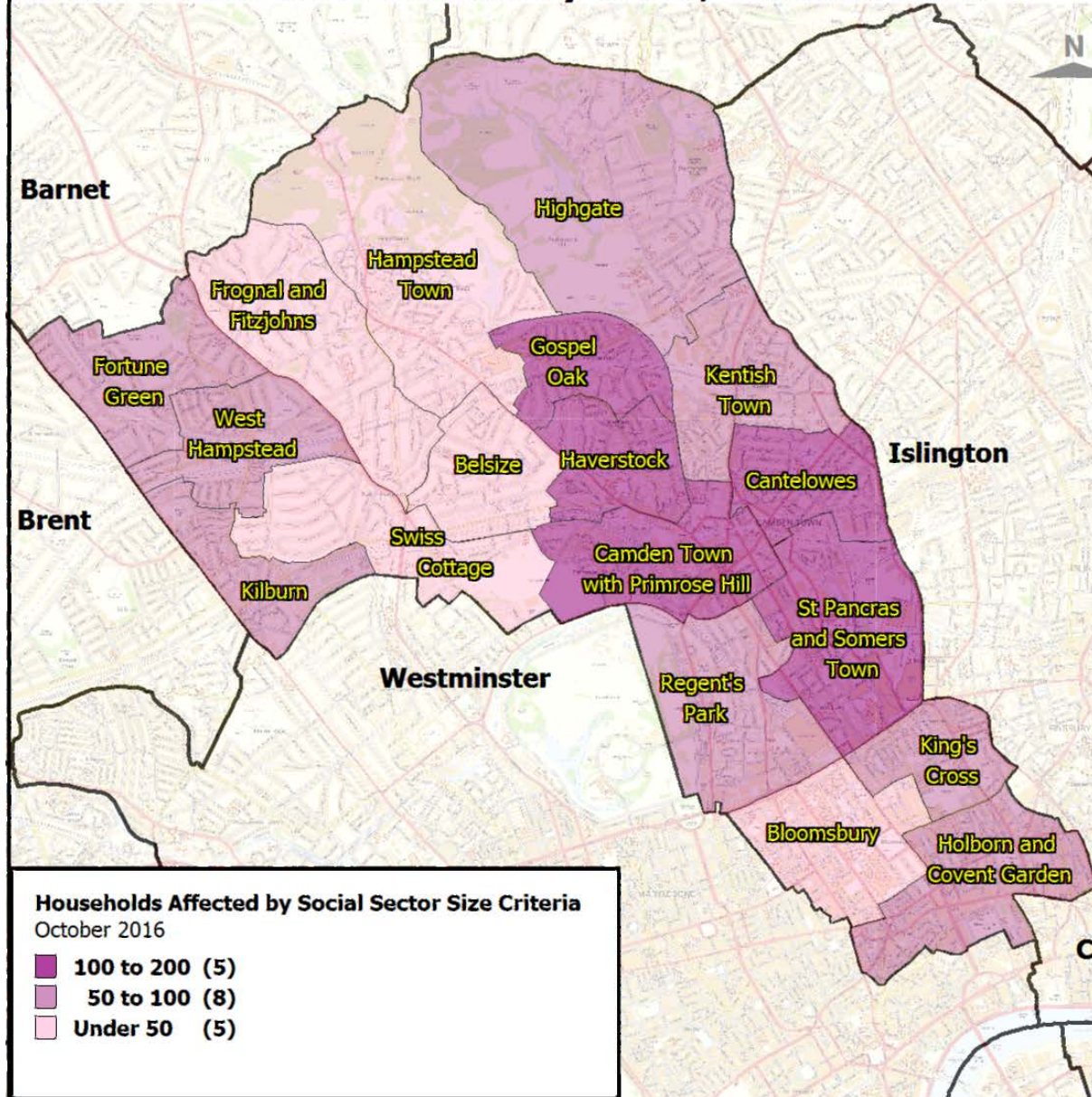
SSSC Distribution by Ward



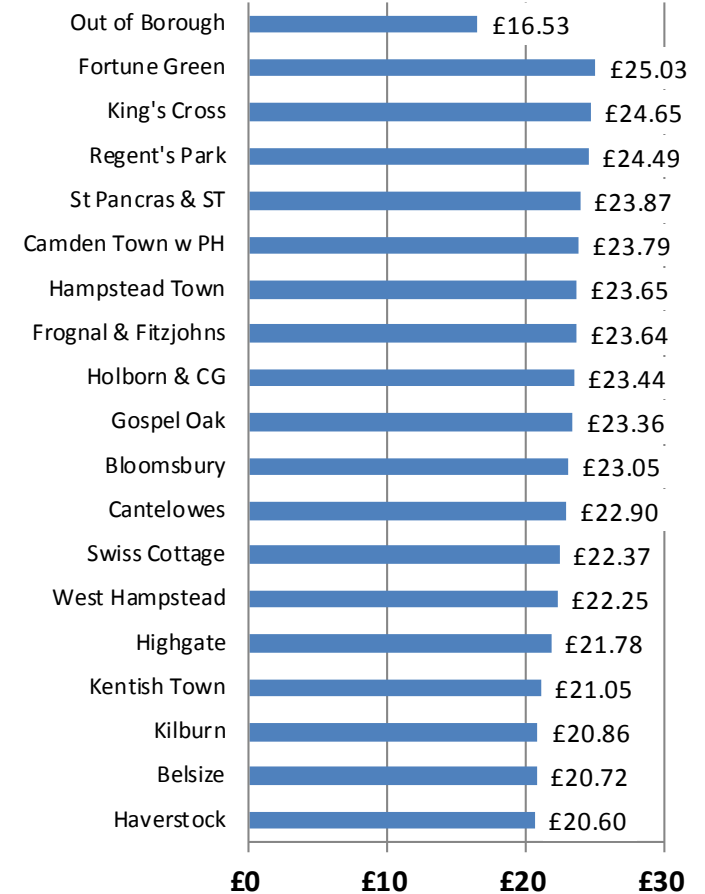
SSSC Households by Number of Children



Social Sector Size Criteria by Ward, October 2016



Average SSSC Loss (£)



The lowest average loss is **£20.60 p/w** is in **Haverstock** ward.

The highest average loss is **£25.03 p/w** in **Fortune Green** ward.

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SSSC: Council Tenancies in Arrears

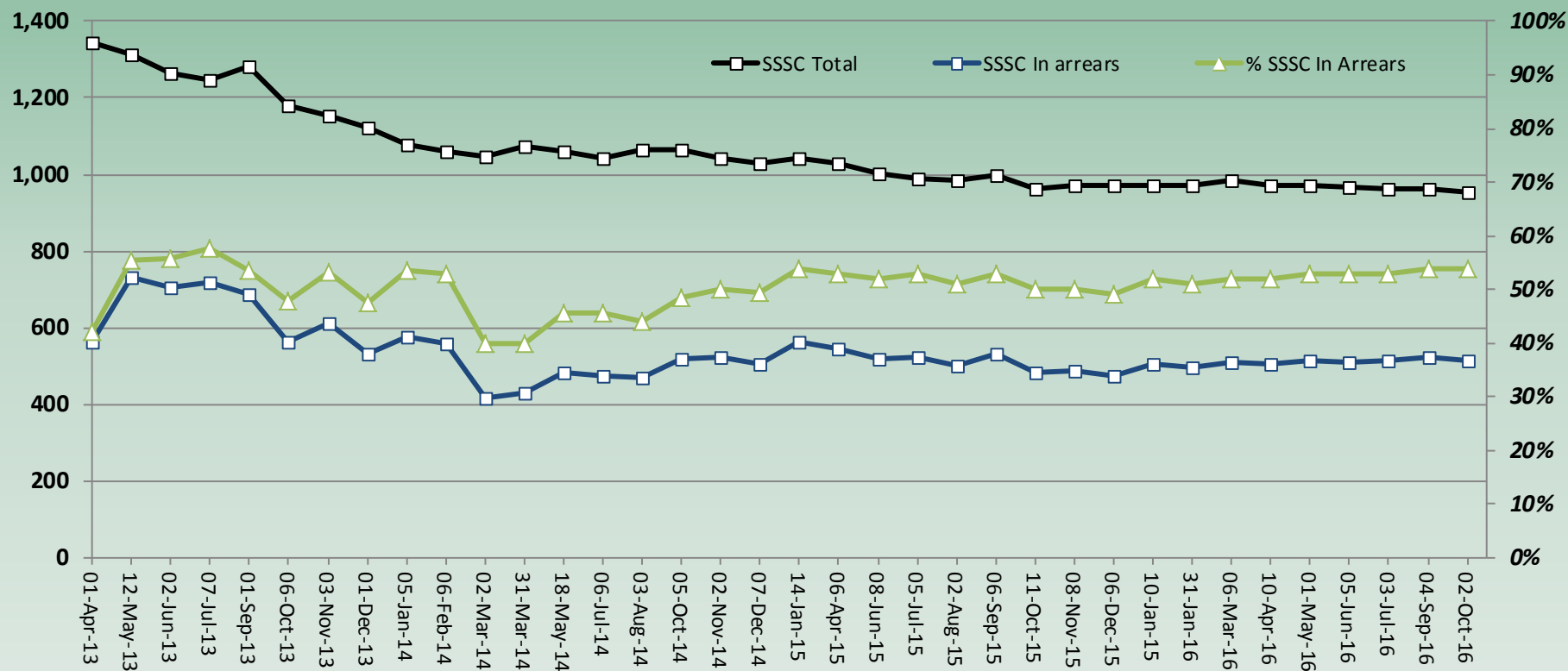
Latest SSSC Arrears

October 2016

- 515 (54%) SSSC tenants are in arrears
- 71 (7%) SSSC tenants owed over £1,000

In the year to October 2016

- SSSC total has fallen 1% since Oct-15.
- SSSC in arrears has increased 7% since Oct-15.
- Arrears rate (54%) has increased 4% points since Oct-15.
- Proportion of SSSC arrears of total arrears has fallen 1%.



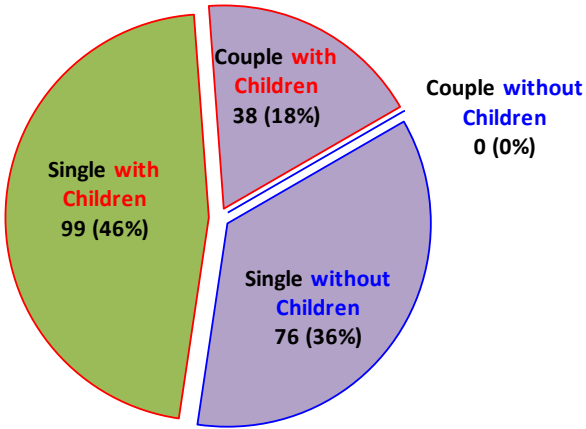
Benefit Cap Overview

221 households affected in October 2016, 137 of these contain children.

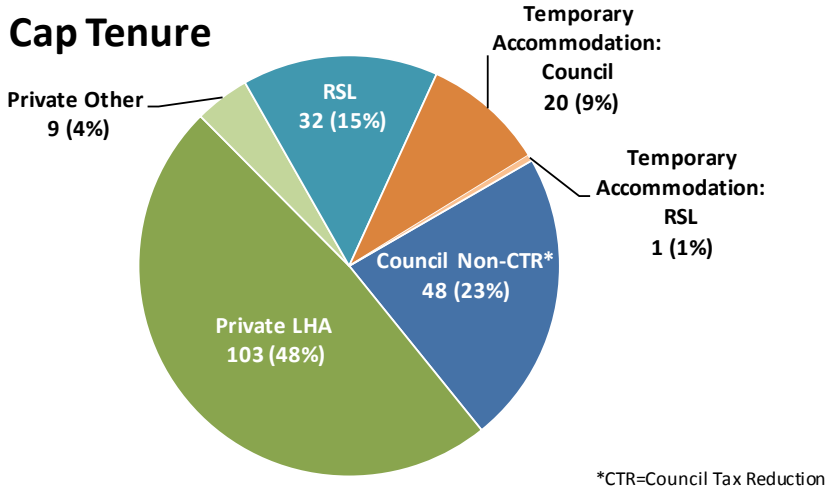
£47.21 per week average benefit loss.

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
213	£48.15	137	64%	464	184	86%	175	82%	38	18%

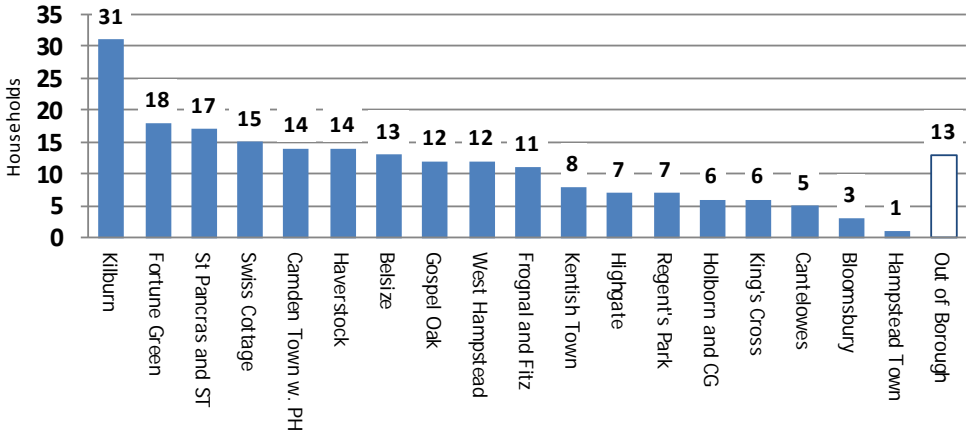
Benefit Cap Household Type



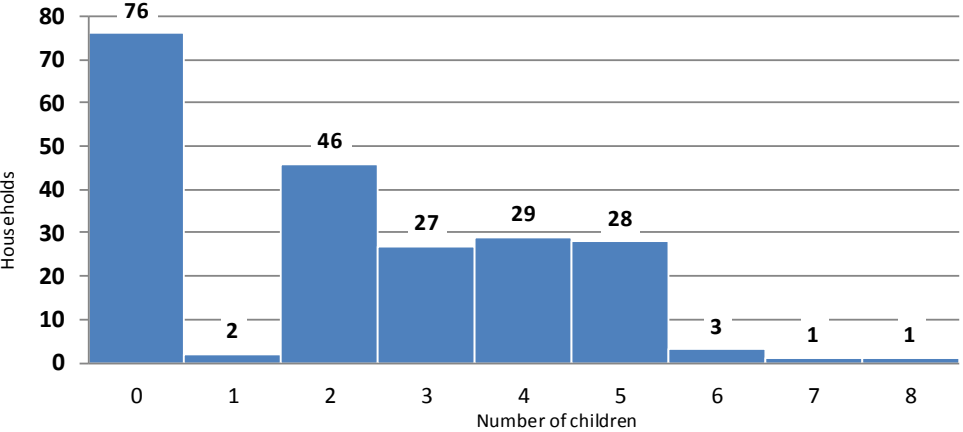
Benefit Cap Tenure



Benefit Cap Distribution by Ward

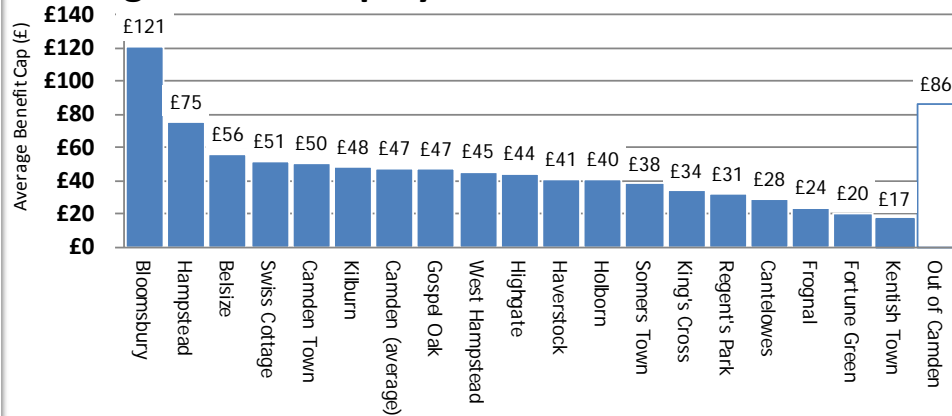


Benefit Cap Households by no. of Children



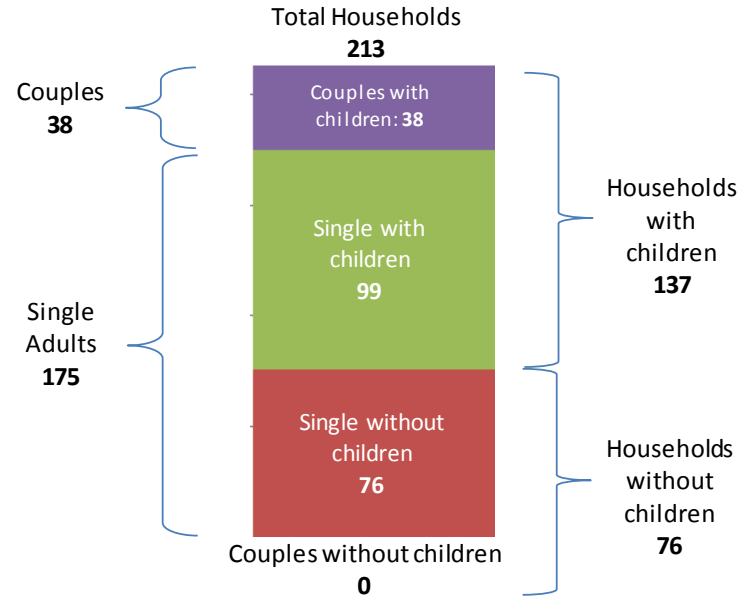
Benefit Cap - Continued

Average Benefit Cap by Ward



There are currently **213** Benefit Cap cases in Camden.

Benefit Cap Household profile



Benefit Cap Arrears (2 October 2016)

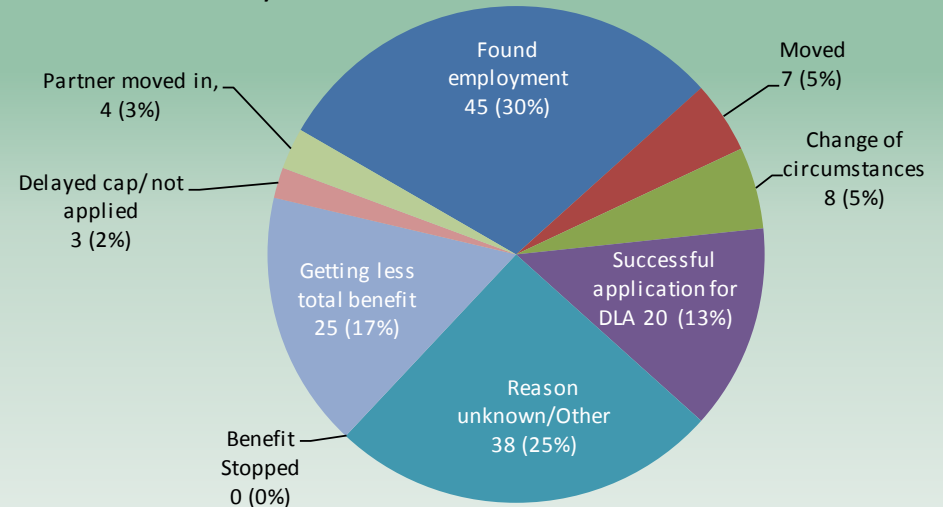
Council tenants only

- 28 households in arrears, down from 55 in Oct-15.
- Average arrears are £661 (£425 in Oct-15).
- Average arrears rate 60% (76% in Oct-15).
- Average Benefit Cap arrears account for less than 1% (0.42%) 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.

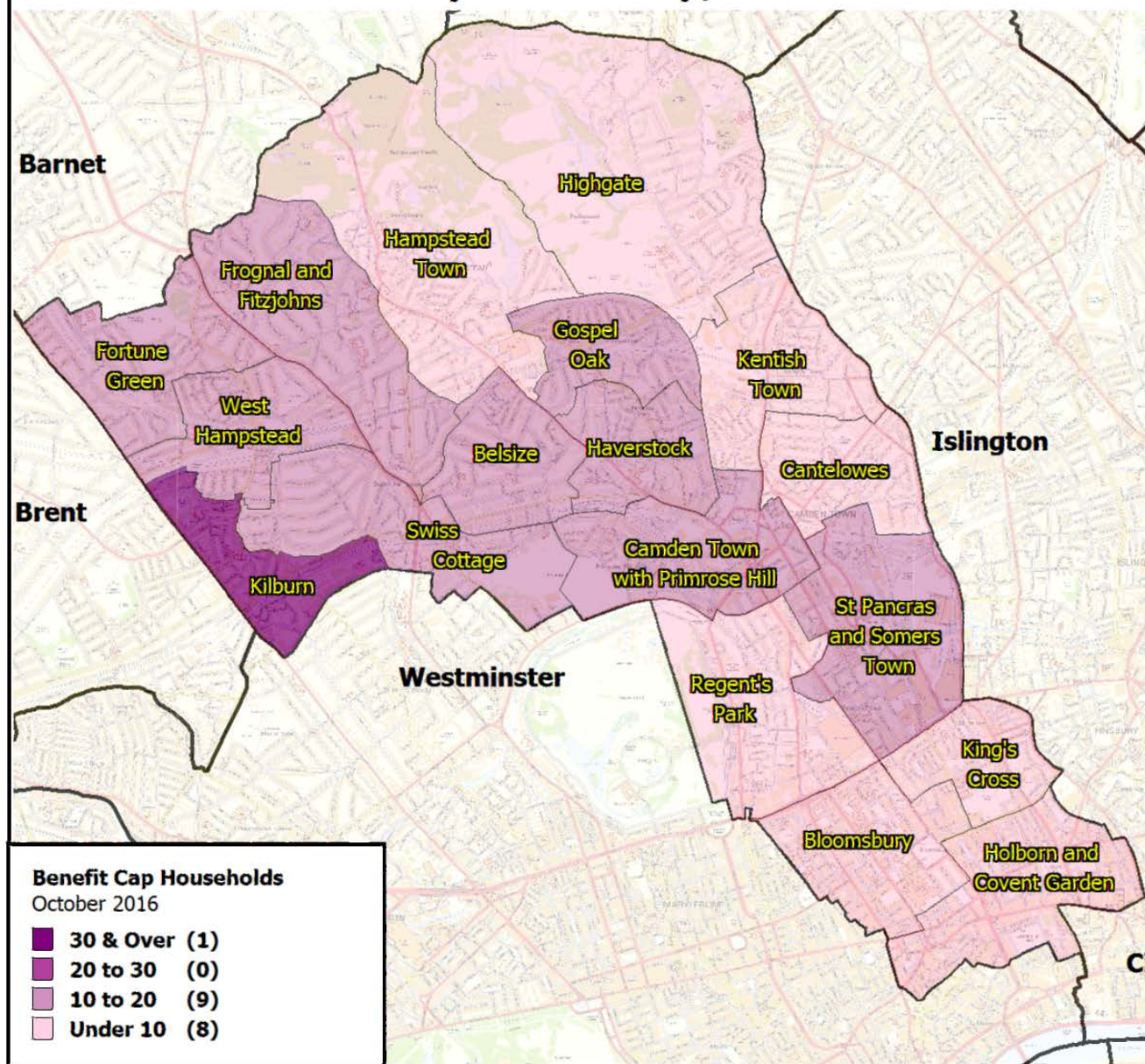
Reasons Benefit Cap no longer applies

Council tenants only

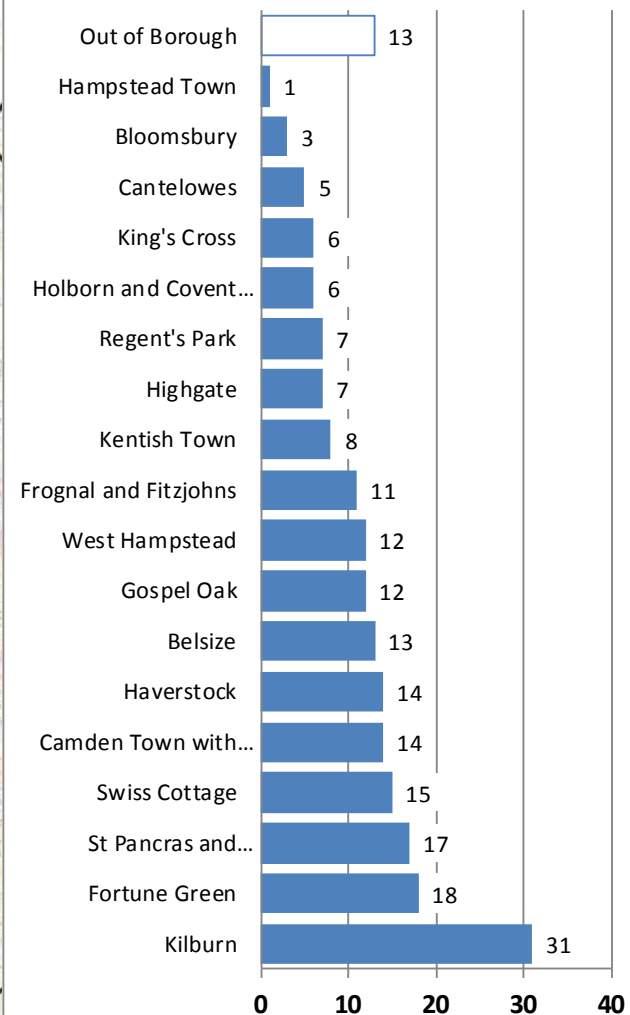
(150 cases since 8 Nov-13)



Households affected by Benefit Cap, October 2016



Benefit Cap Households

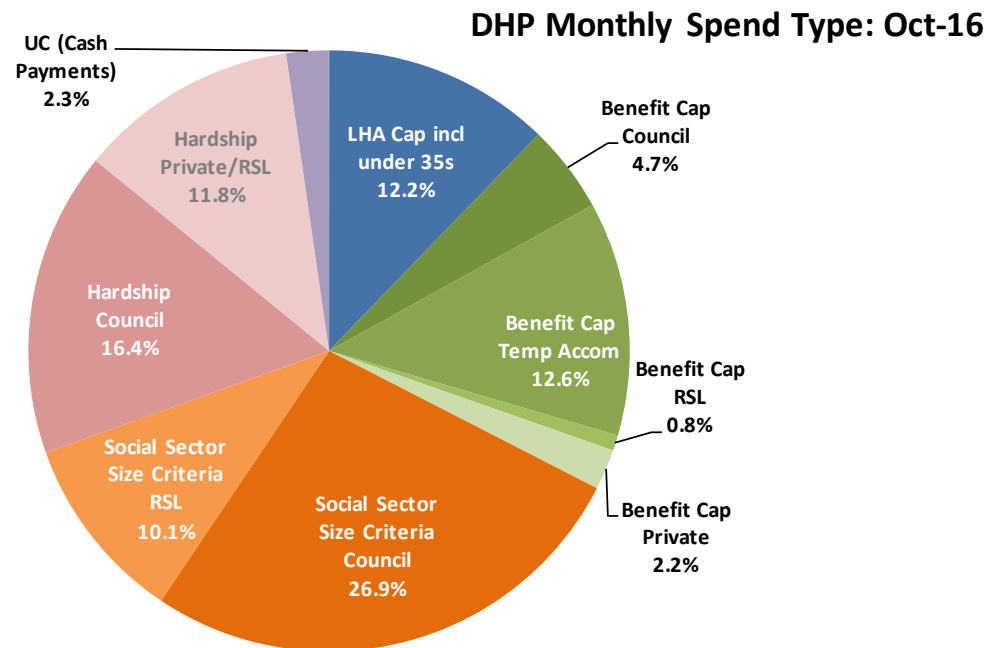


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Discretionary Housing Payments (DHP) Spend 2016-17

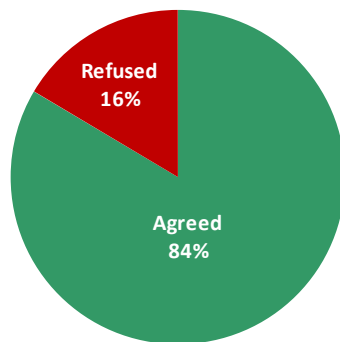
Discretionary Housing Payments are used to mitigate the impact of welfare changes and the funding allocated by the Department for Work and Pensions (DWP) to Camden has varied each year depending on what benefit changes are being implemented. The allocation for 2016/17 was increased to assist with the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

Type	Type	Oct-16	Year to date
Local Housing Allowance (LHA) Cap including under 35s		£6,299	£64,028
Benefit Cap	Council tenants	£2,444	£26,301
	Temporary Accommodation tenants	£6,482	£65,478
	RSL tenants	£438	£13,672
	Private tenants	£1,118	£11,039
Social Sector Size Criteria	Council tenants	£13,849	£100,030
	RSL tenants	£5,203	£49,080
Hardship	Council tenants	£8,452	£84,807
	Private tenants	£6,084	£47,471
Universal Credit (Cash Payments)		£1,187	£2,177
Total		£50,369	£461,906



DHP Applications: Acceptances/Refusals

Total DHP applications received March-September 2016: **802**

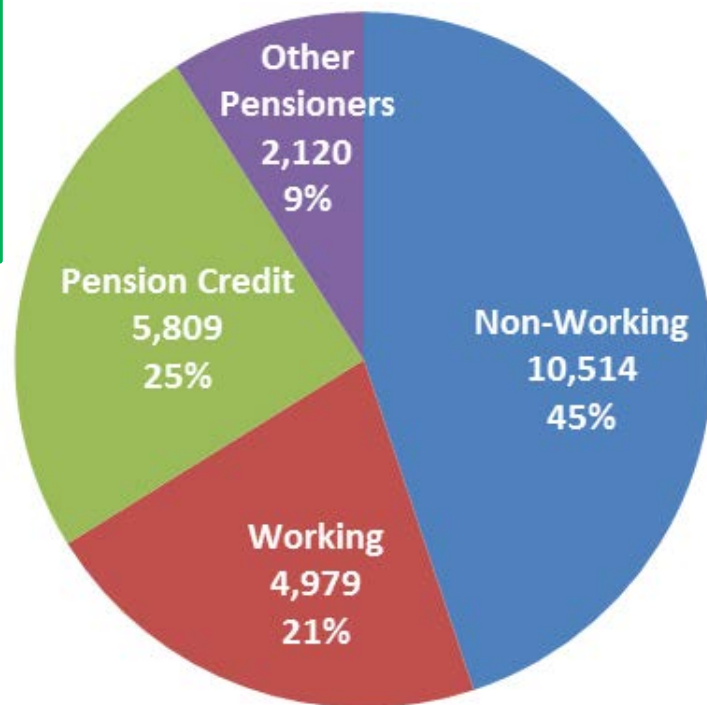


DHPs are mainly used to assist tenants manage short falls in rent while being helped to find longer term solutions. **At October 2016** the largest group of people who had received a DHP were **289** tenants impacted by the Social Sector Size Criteria ('bedroom tax') receiving **£19,052**, 38% of DHP spend and totalling £149,110 (32%) in the financial year to October 2016.

Council Tax Reduction Scheme (CTRS)

- Council Tax Reduction Scheme (CTRS) covers **91.9%** 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 October 2016, **23,300** households in Camden received CTRS.



CTRS: Number of Claimants in Camden

	Apr-14	Oct-16	Change	%
Non-Working	11,338	10,478	-860	-7.6%
Working	5,180	4,942	-238	-4.6%
Pension Credit	6,182	5,778	-404	-6.5%
Other Pensioners	2,289	2,102	-187	-8.2%
Total	24,989	23,300	-1,689	-6.8%

The number of households in receipt of CTRS has fallen overall since April 2014 by **1,689** (-6.8%) and across all claim types. The largest change by claim type is for **non-working households** with a fall of 860 (-7.6%). By proportion this lower than the fall by **Other Pensioners not on Pension Credit** which has reduced by 187 households (-8.2%). Working households fell by 238 (-4.6%) and those on Pension Credit fell by 404 (-6.5%). 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 Benefit Cap and Social Sector Size Criteria (SSSC) is higher than average suggesting they may be struggling to cope financially with the reductions to their housing benefit. ²

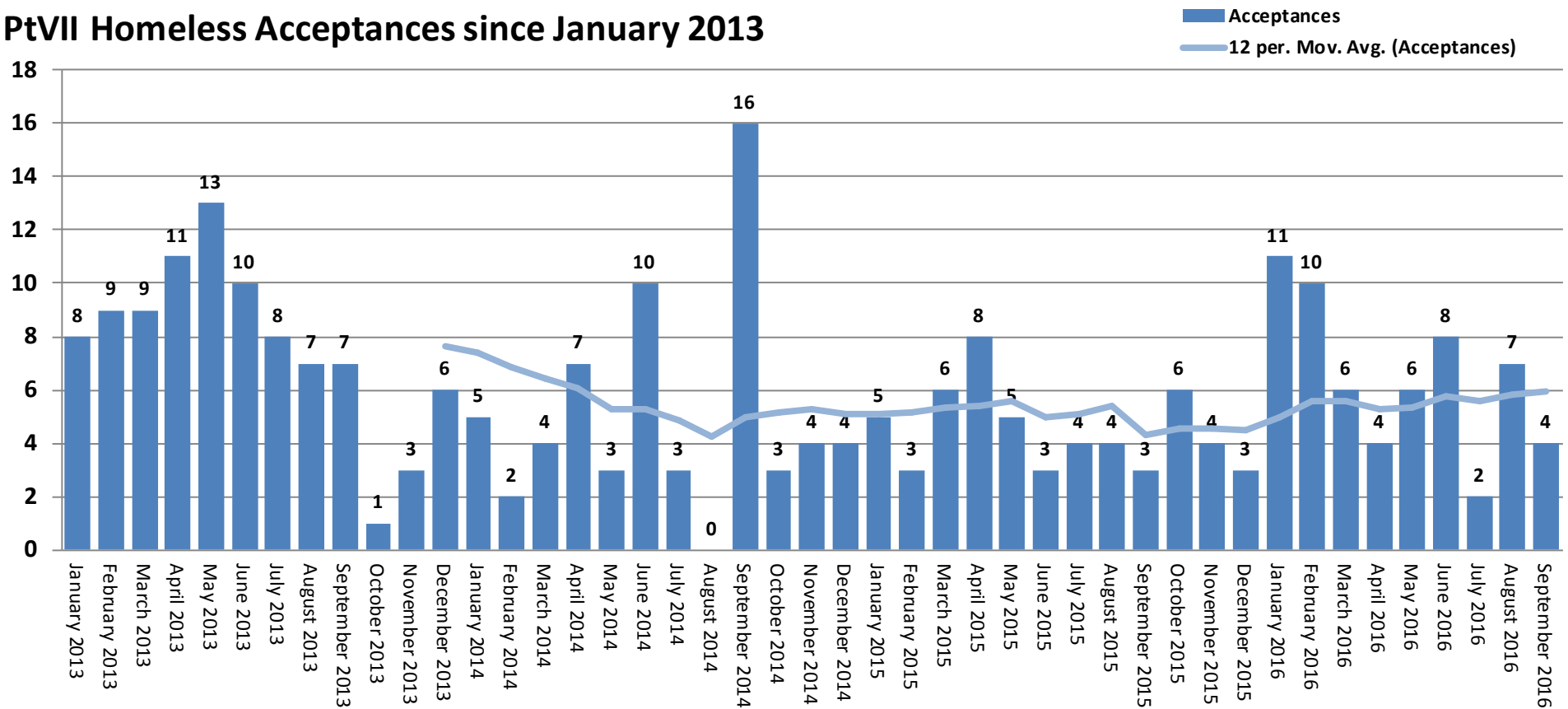
Group	Number	Arrears rate	Average arrears amount
All tenants (excluding TMOs)*	22,728	40.8%	£475
HB Claimants	14,565	39.6%	£367
Affected by SSSC	953	54.0%	£475
Affected by Benefit Cap	47	59.6%	£661

* TMOs = Tenant Management Organisations – see note below

- Data as at 2 October 2016.
- 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. 5.1% owed more than £1,000 in October 2016).
- 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 October 2016 it was 54% compared to 41% 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 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.

Impacts of HB reform: Homelessness and Temporary Accommodation

PtVII Homeless Acceptances since January 2013



- There were **4** homelessness acceptances in **September 2016**.
- Acceptances over the past twelve months totalled 71, higher than the previous twelve month period, 59.
- Average monthly acceptances had been falling: **7.7** in 2013, **5.1** in 2014 and **4.5** in 2015, but in 2016 it's currently **6.4**.
- There were **417** households in Temporary Accommodation (Sep-16). This is 167 fewer (-29%) than in Sep-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.