

Impacts of Welfare Changes in Camden

April 2016

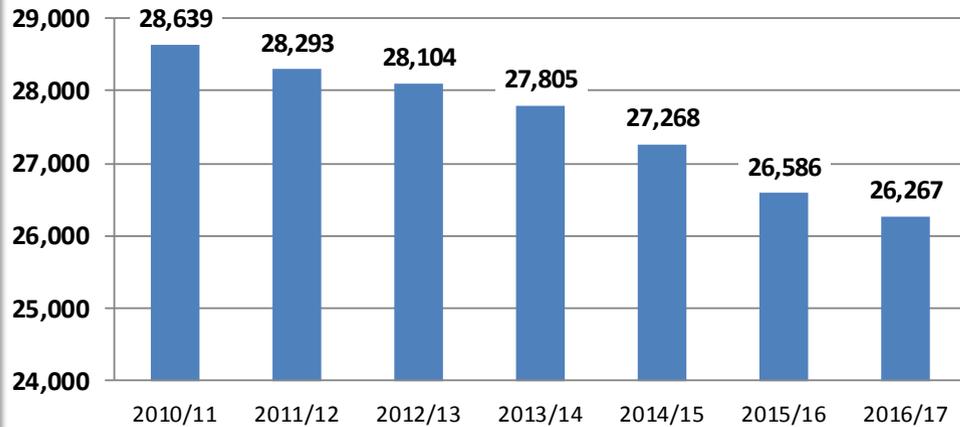


Reference date 1 April 2016

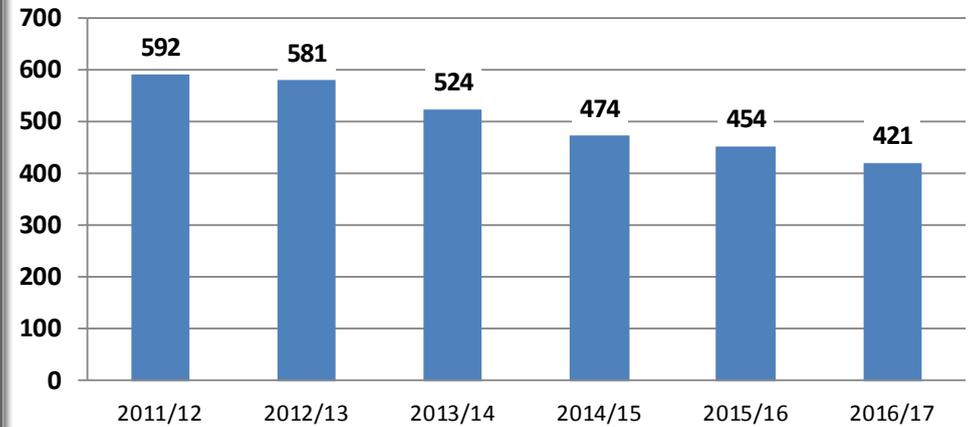
Housing Benefit Overview

- There has been a **29%** 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.

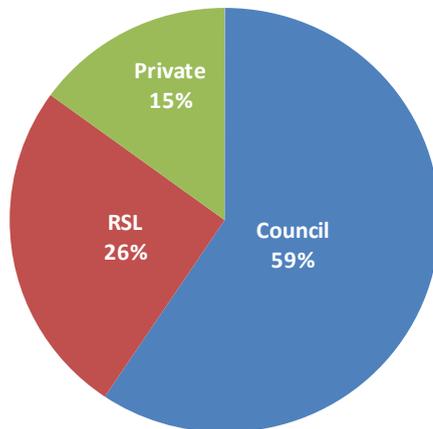
Total Claims



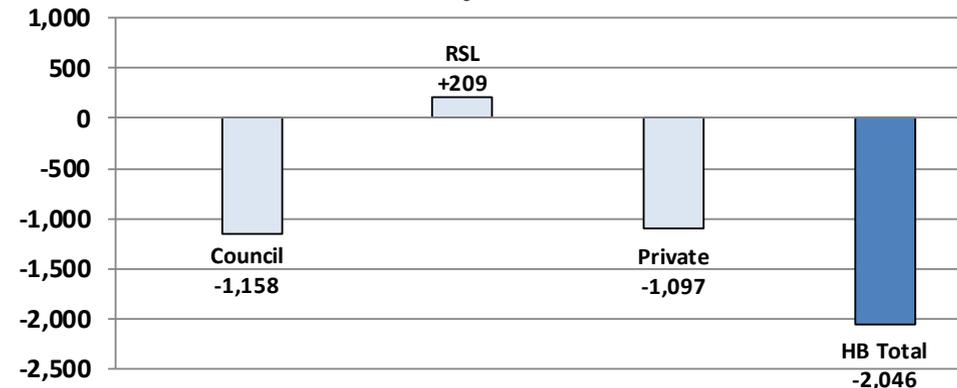
New Claims (monthly average)



Claims by Tenure, April 2016



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



Local Housing Allowance (LHA) Overview

3,166 residents claiming LHA, on average receiving £248.58 per week.

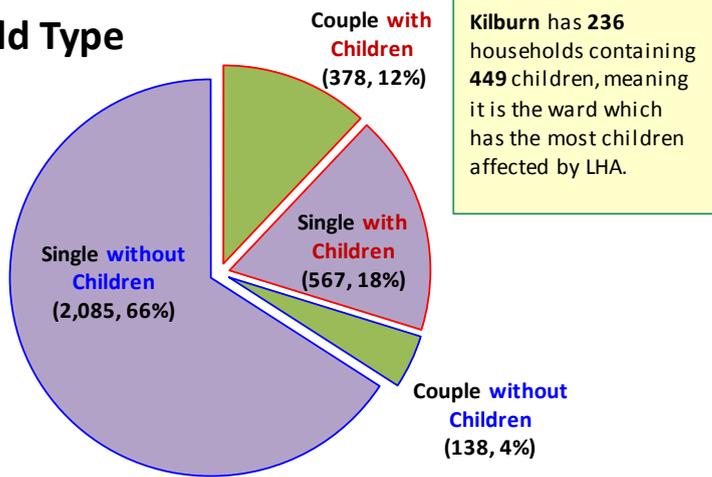
1,593 children across Camden live in households claiming LHA.

2,652 single adult households in Camden claim LHA. This is 84% of all LHA households.

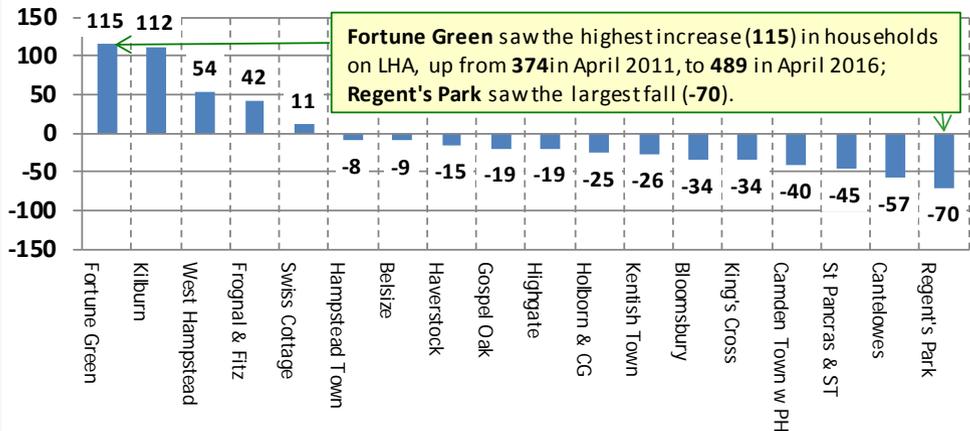
LHA	Average LHA	HHs with Children	% HHs with Children	Number of Children	Number Passported	% Passported	Number Single	% Single	Number of Couple HHs	% of Couple HHs
3,166	£248.58	945	30%	1,593	1,483	47%	2,652	84%	516	16%

LHA Household Type

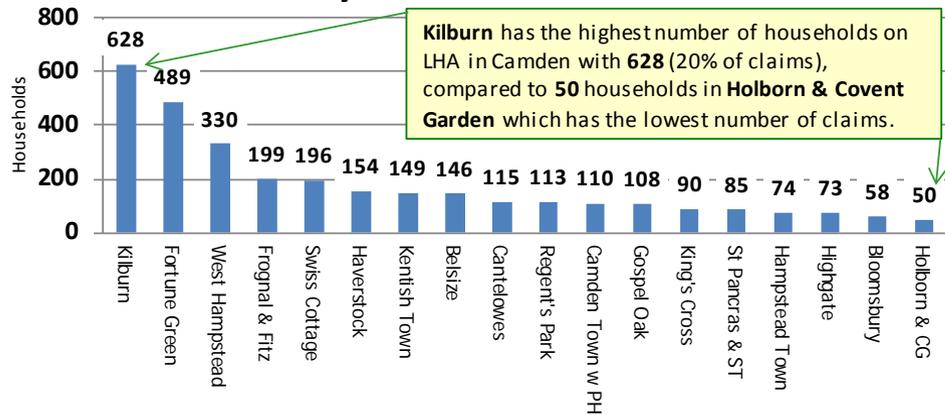
The highest concentration of single adult claimants (493), including lone parents (124), is in Kilburn.



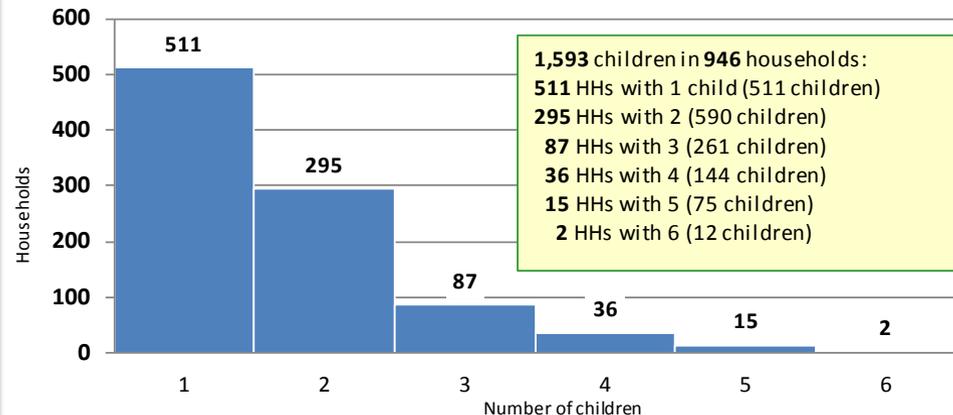
LHA Ward Movement from April 2011



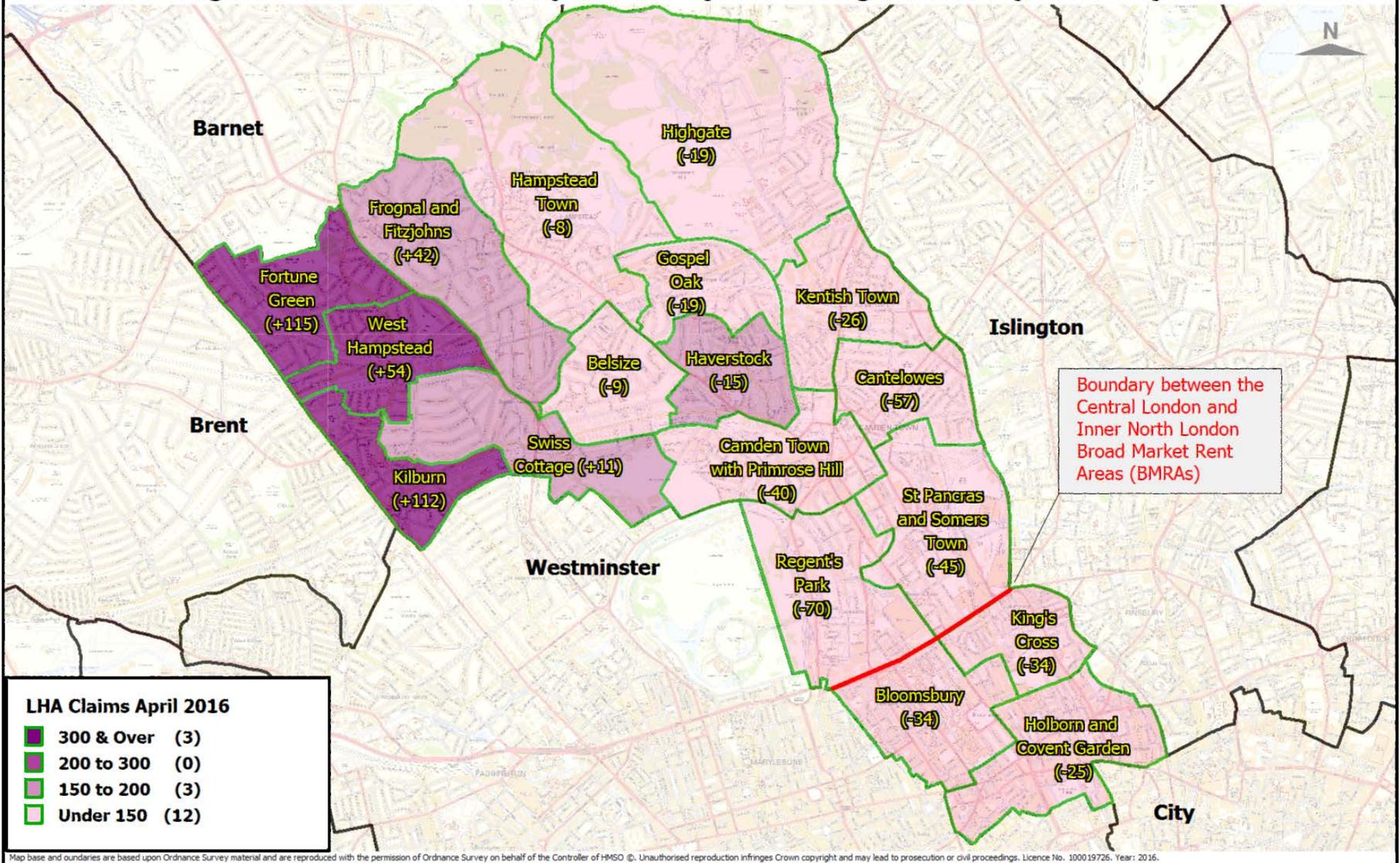
LHA Distribution by Ward



LHA Households by Number of Children



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



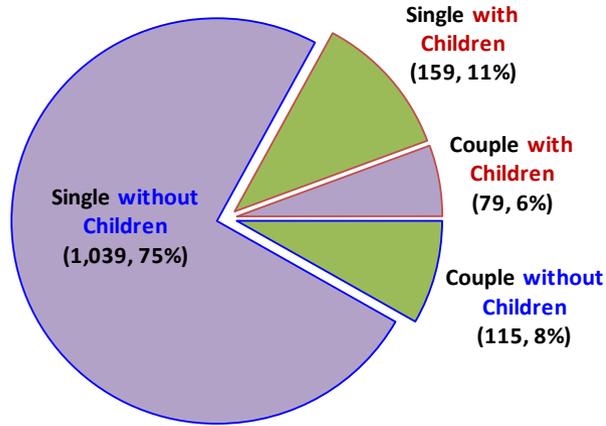
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Social Sector Size Criteria (SSSC) Overview

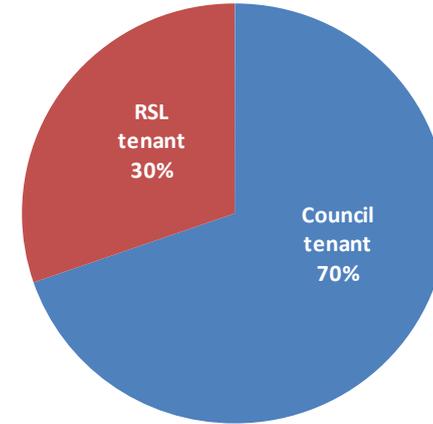
1,392 households in Camden are affected by SSSC and on average lose £22.52 per week.

Total SSSC	Households with Children	% Households with Children	Total Number of Children	Number of Passported	% Passported	Single Claimants	% Single Claimants	Couple Claimants	% Couple Claimants	Council tenant	RSL tenant
1,392	238	17%	379	900	65%	1,198	86%	194	14%	970	422

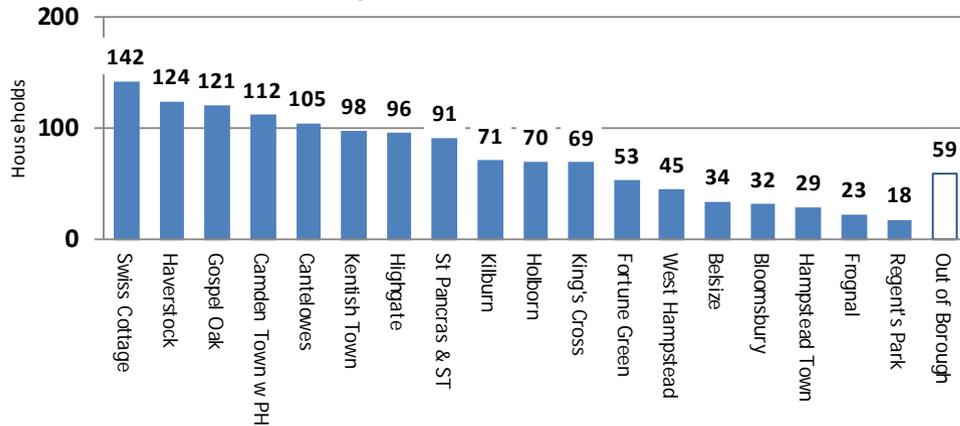
SSSC Household Type



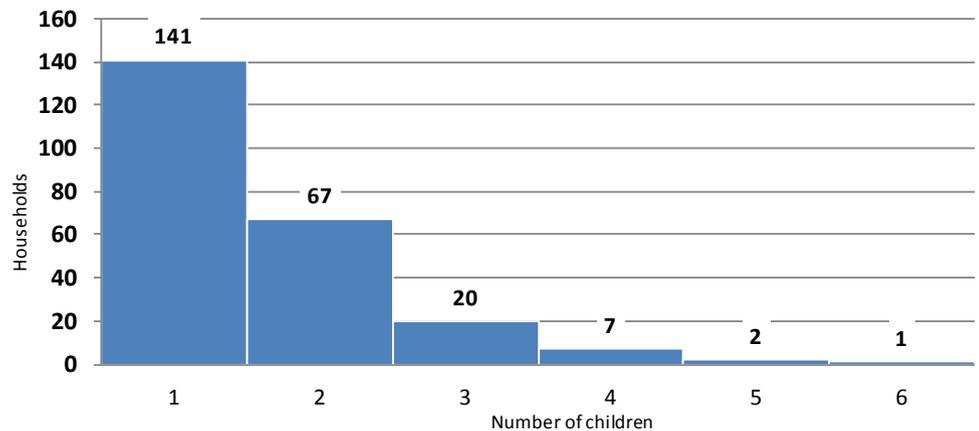
SSSC Tenure



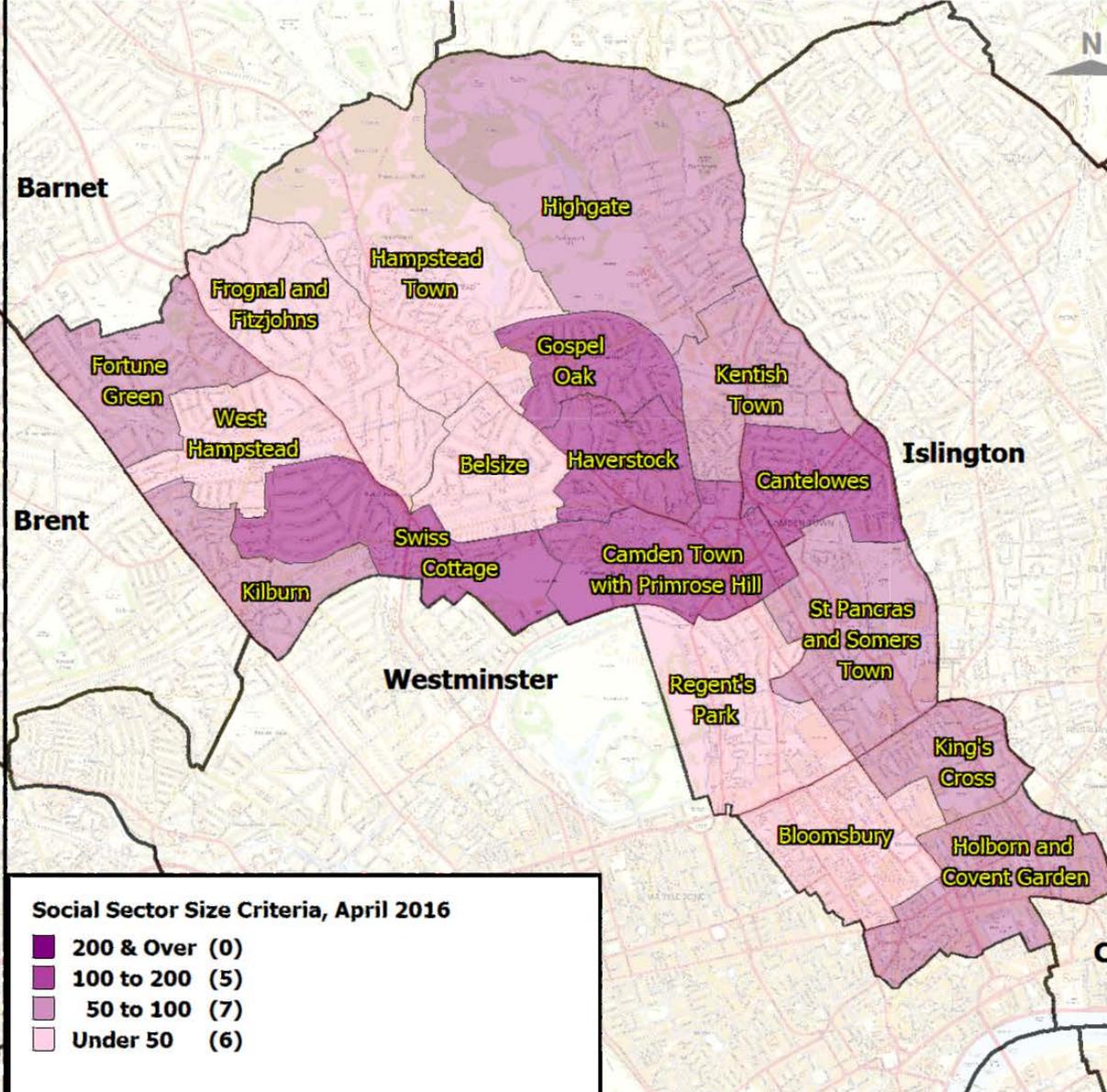
SSSC Distribution by Ward



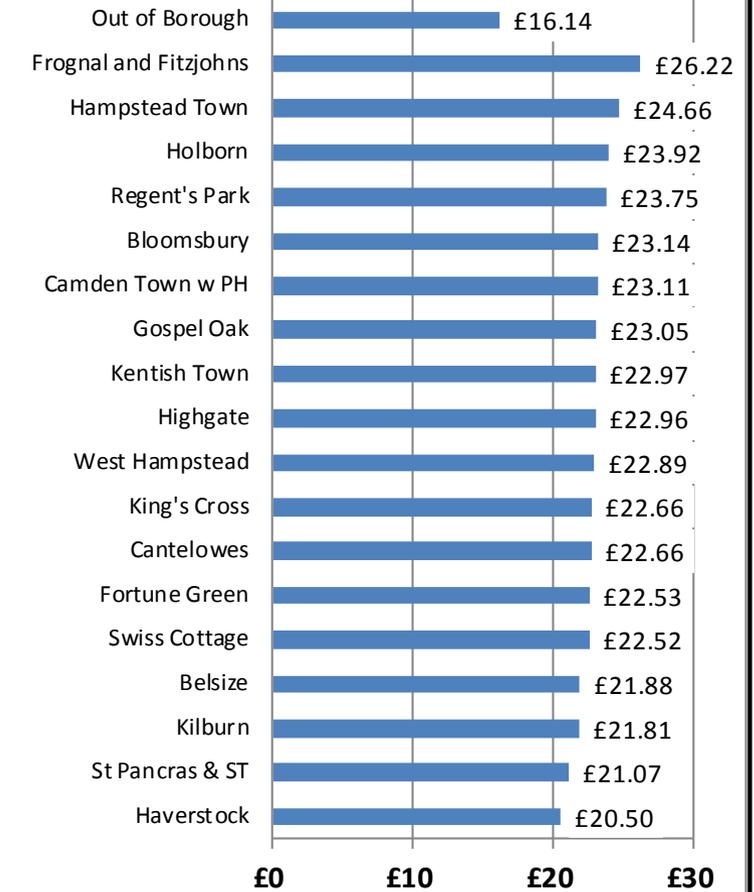
SSSC Households by Number of Children



Social Sector Size Criteria by Ward, April 2016



Average SSSC Loss (£)



The lowest average loss is **£20.50** p/w in **Haverstock**.

The highest average loss is **£26.22** p/w in **Frognal and Fitzjohns**.

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SSSC: Council Tenancies in Arrears

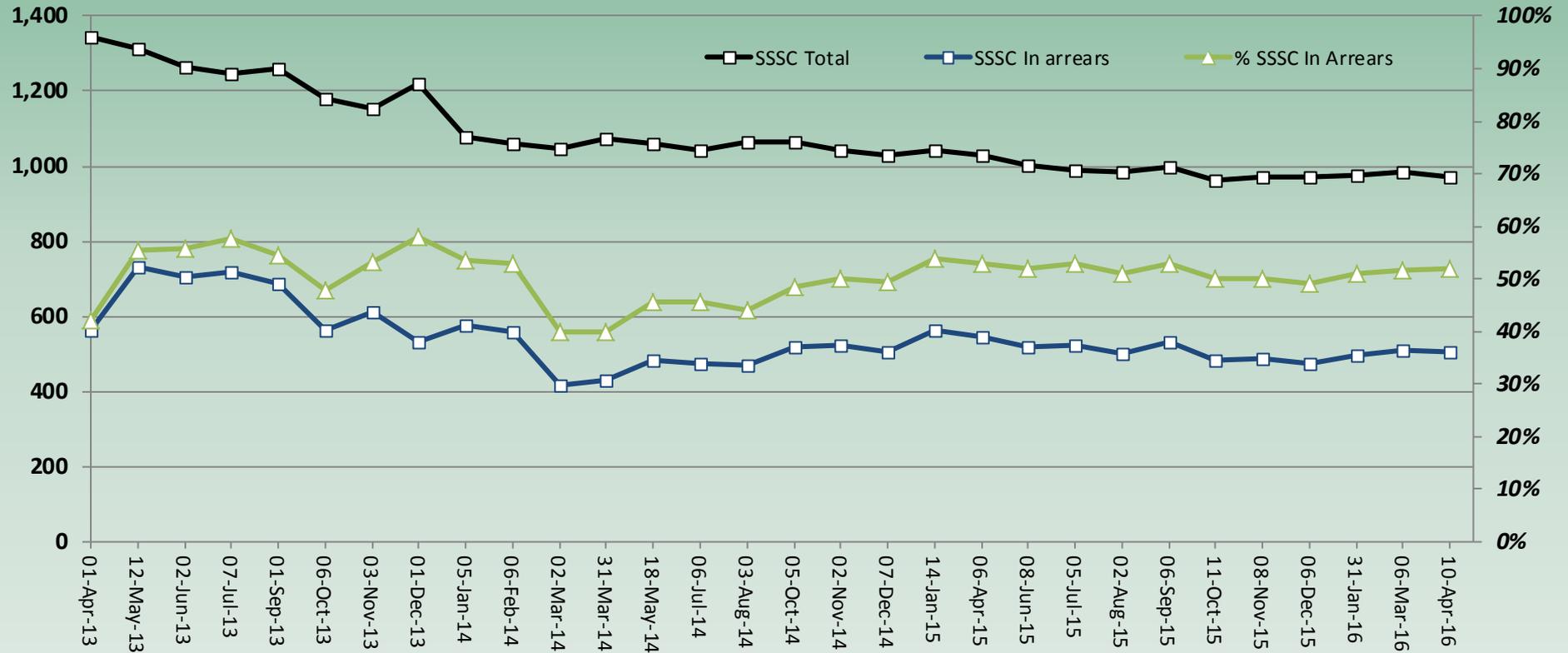
Latest SSSC Arrears

April 2016

- 505 (52%) SSSC tenants are in arrears
- 76 (8%) owed over £1,000

In the year to April 2016

- SSSC total has fallen 6% since Apr-15.
- Number in arrears has fallen 7% since Apr-15.
- Arrears rate has fallen from 53% in Apr-15 to 52% in Apr-16.



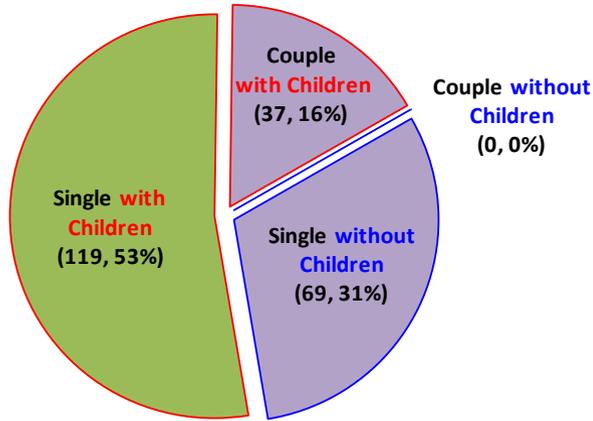
Benefit Cap Overview

225 households affected in April 2016, 156 of these contain children.

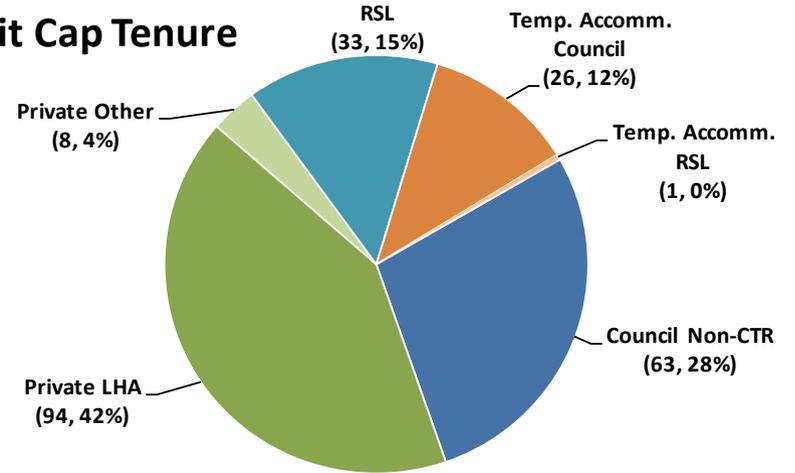
£45.73 per week average benefit loss.

Total affected by Benefit Cap	Average Benefit Cap (£)	Number of Households with Children	% Households with Children	Total Number of Children	Number Passport	% Passport	Number Single Claimants	% Single Claimants	Number Couple Claimants	% Couple Claimants
225	£45.73	156	69%	530	201	89%	188	84%	37	16%

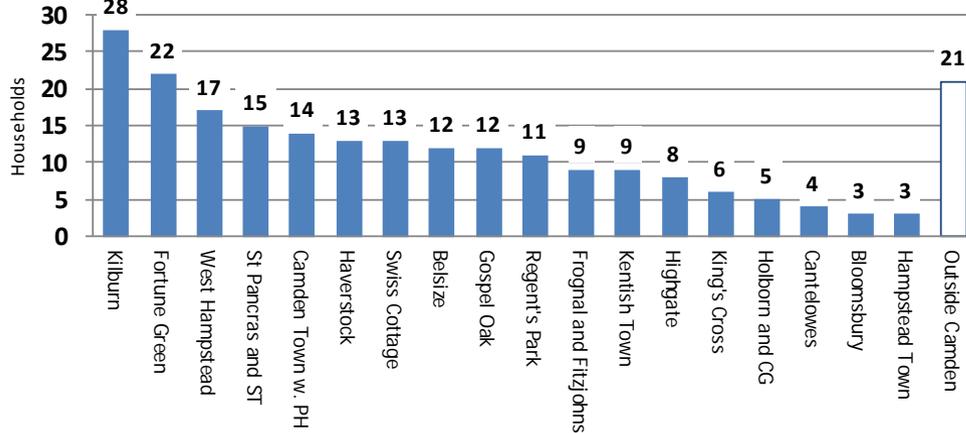
Benefit Cap Household Type



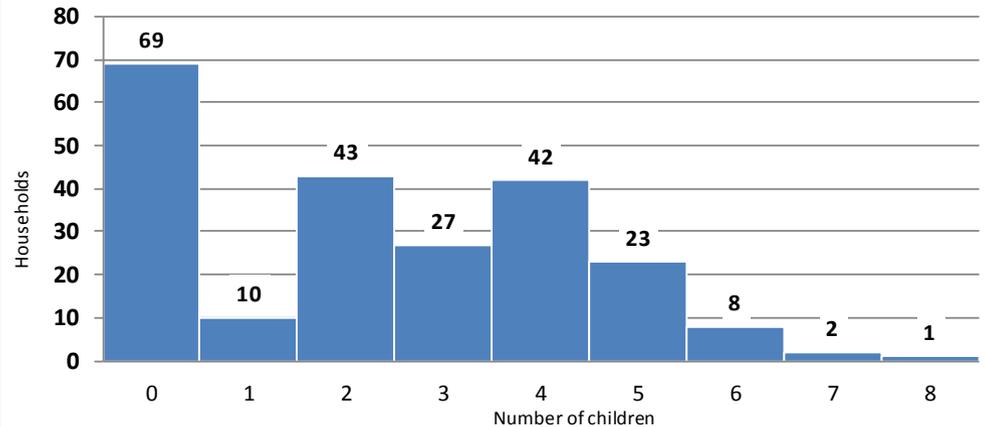
Benefit Cap Tenure



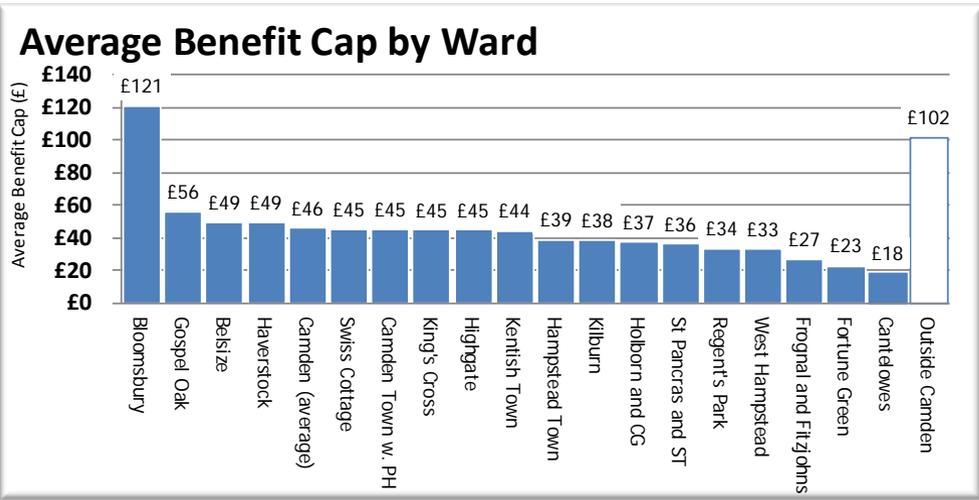
Benefit Cap Distribution by Ward



Benefit Cap Households by no. of Children

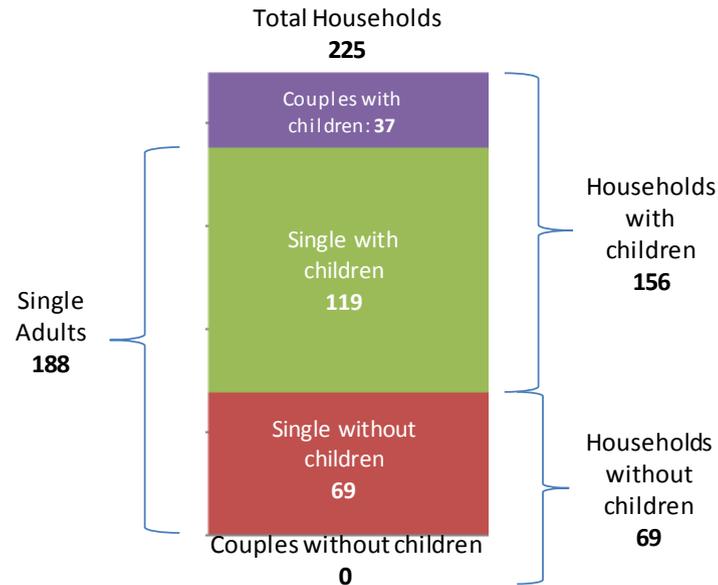


Benefit Cap - Continued



There are currently **225** Benefit Cap cases in Camden.

Benefit Cap Household profile



Benefit Cap Arrears (4 April 2016)

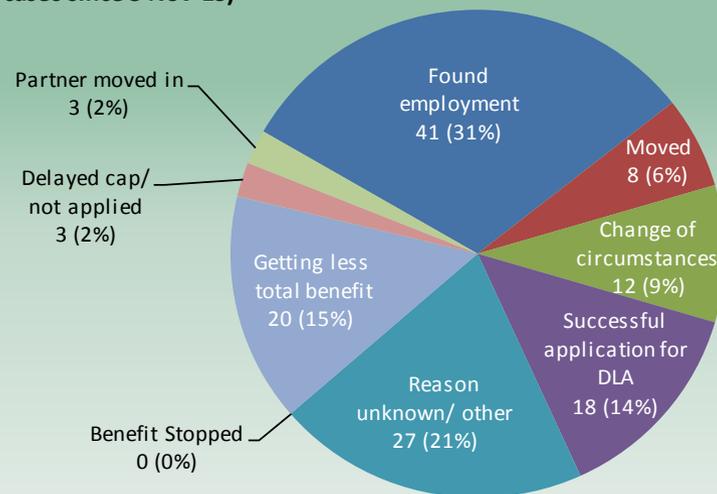
Council tenants only

- 40 households in arrears, down from 56 in Sep-15
- 4 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

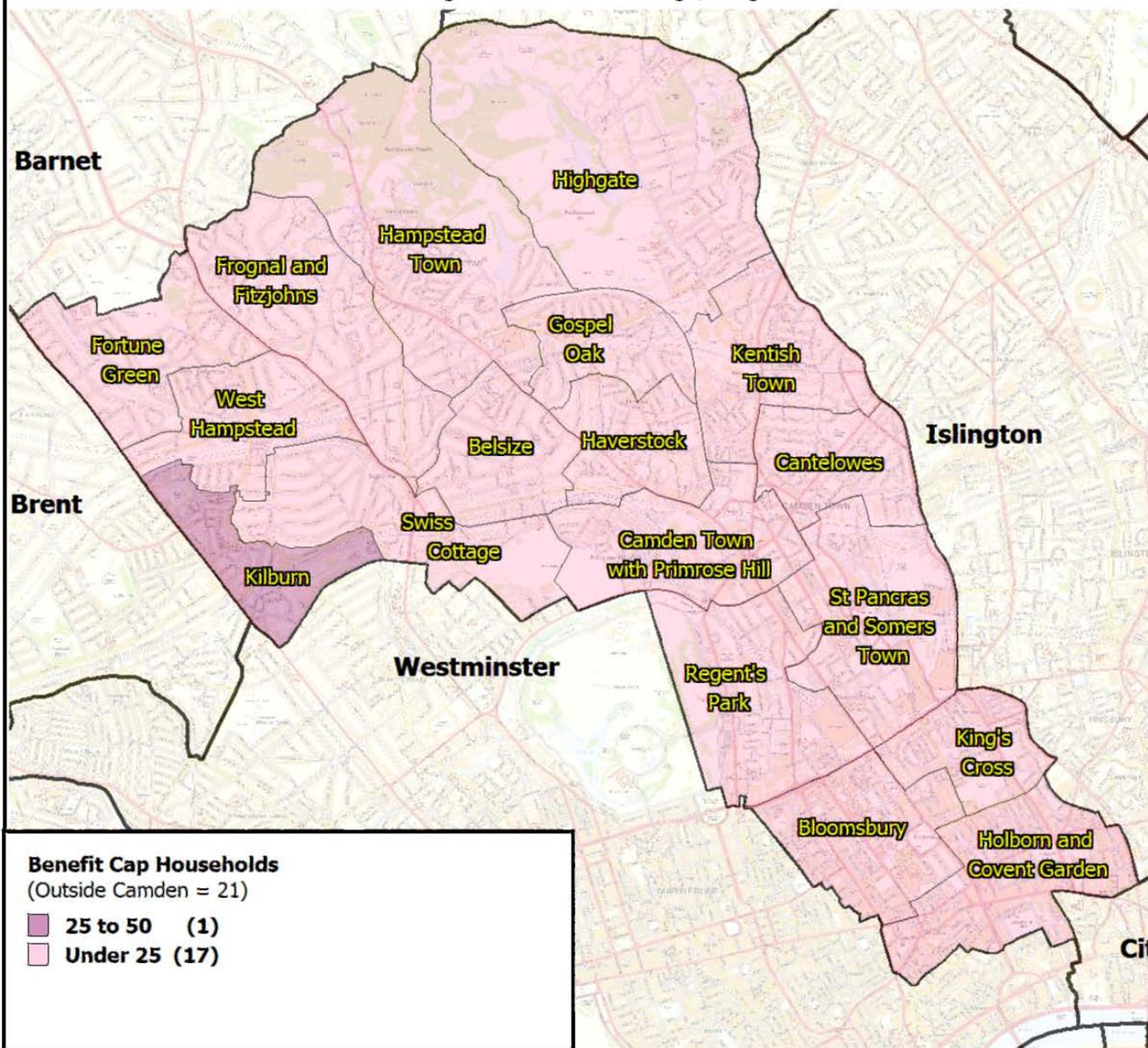
Reasons Benefit Cap no longer applies

Council tenants only

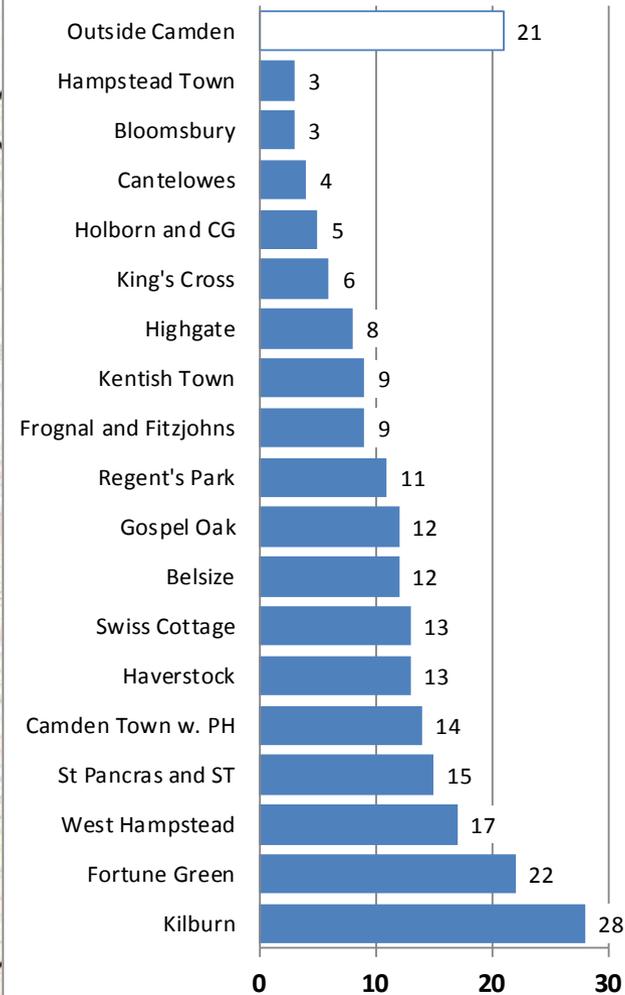
(132 cases since 8 Nov-13)



Households affected by Benefit Cap, April 2016



Benefit Cap Households



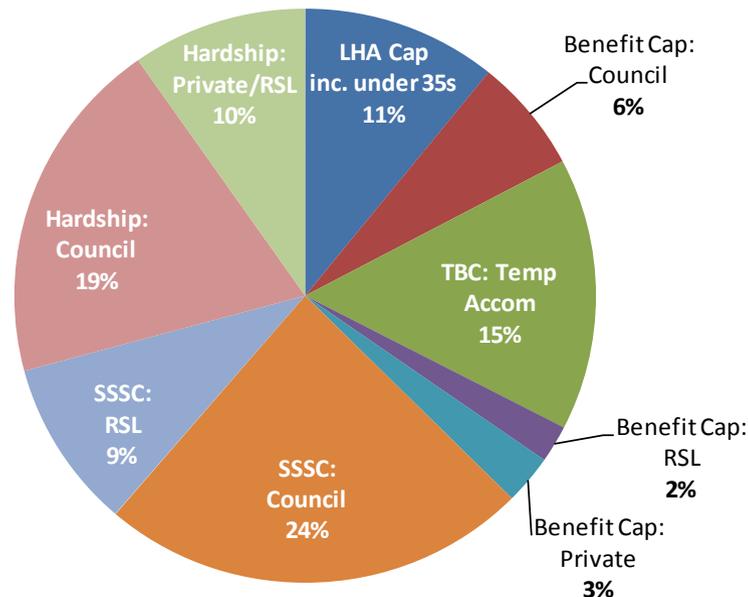
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Discretionary Housing Payments (DHP) Spend 2015-16

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 Benefit Cap came into effect.

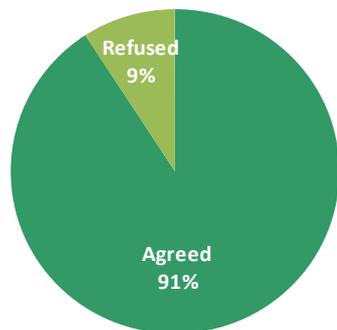
Type	Type	Dec-15	Year to date
Local Housing Allowance (LHA) Cap including under 35s		£6,674	£64,203
Benefit Cap	Council tenants	£2,196	£35,561
	Temporary Accommodation tenants	£11,791	£108,582
	RSL tenants	£1,314	£9,336
	Private tenants	£1,329	£20,638
Social Sector Size Criteria	Council tenants	£17,980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

DHP End of Year Spend by Type: March 2016



DHP Applications: Acceptances/Refusals

Total Received
2015-16
= **1,034**



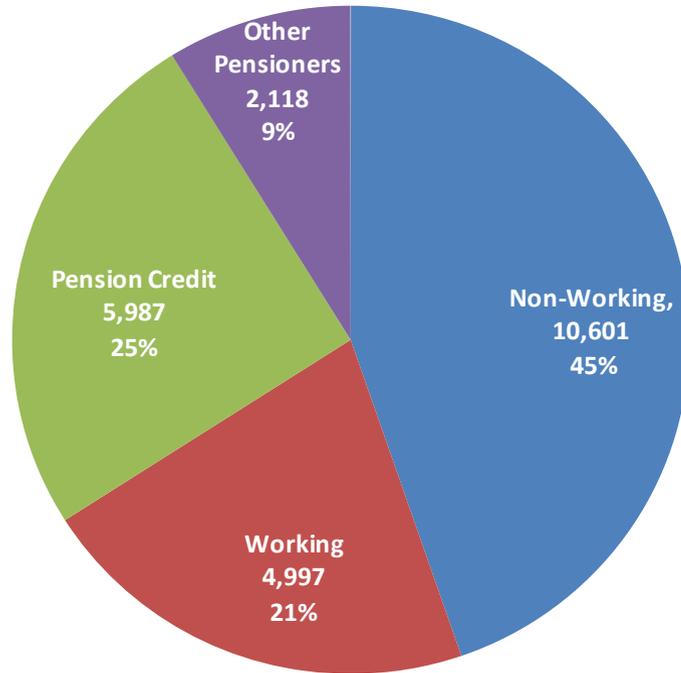
The largest number of people who receive DHP are **418** tenants impacted by the Social Sector Size Criteria. In the year 2015-16 they have received a total of **£286,295**, a third of the total DHP spend.

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 **91.3%** 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 April 2016,
23,580
households
in Camden
received
CTRS.



CTRS: Number of Claimants in Camden

	Apr-14	Apr-16	Change	%
Non-Working	11,338	10,538	-800	-7.1%
Working	5,180	5,013	-167	-3.2%
Pension Credit	6,182	5,947	-235	-3.8%
Other Pensioners	2,289	2,082	-207	-9.0%
Total	24,989	23,580	-1,409	-5.6%

The number of households in receipt of CTRS has fallen overall since April 2014 by **1,409** (-5.6%) and across all claim types. The largest change by claim type is for **non-working households** with a fall of 800 (-7.1%). By proportion this lower than the fall by **Other Pensioners not on Pension Credit** which has reduced by 207 households (-9.0%). Working households fell by 167 (-3.2%) and those on Pension Credit fell by 235 (-3.8%). 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.

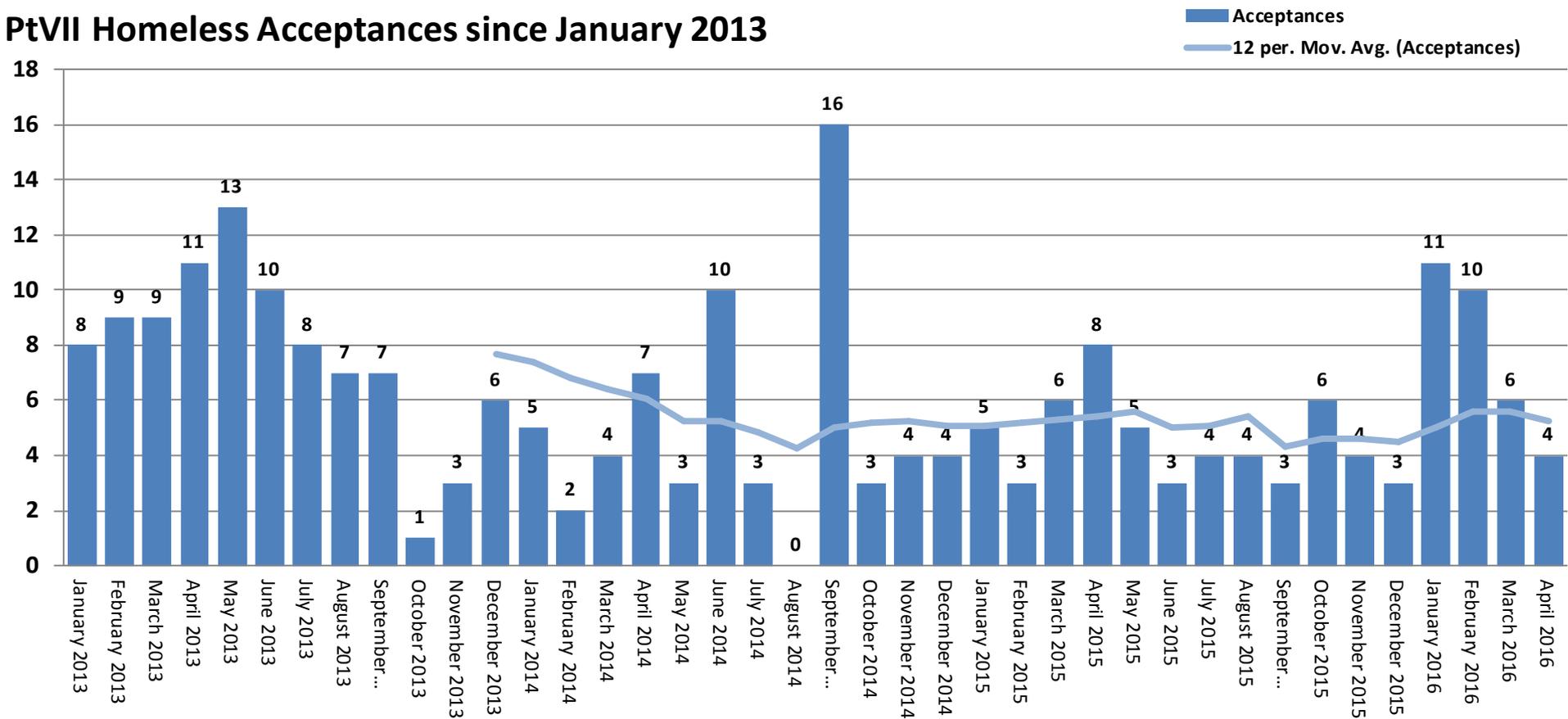
Group	Number	Arrears rate	Average arrears amount
All tenants (excluding TMOs)*	22,796	39.8%	£462
HB Claimants	14,848	38.9%	£357
Affected by SSSC	971	52.0%	£497
Affected by Benefit Cap	60	67.0%	£466

* TMOs = Tenant Management Organisations – see note below

- Data as at 3 April 2016
- Arrears rates include all tenants who are in arrears no matter how small the amount. Only a small proportion are in significant arrears: 4.6% owe more than £1,000, up from 4.5% in July 2014, but down from 4.8% in Dec-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 April 2016 it was 52% compared to 39.8% 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 April 2016 (following higher than recent monthly averages in Jan and Feb).
- Although acceptances were higher for Jan/Feb the number of acceptances for the year is 65 are similar to last year, 63.
- The average of monthly acceptances had been falling: **7.7** in 2013, **5.1** in 2014 and **4.5** in 2015.
- There were **427** households in Temporary Accommodation (Mar-16). This is 204 fewer (-48%) than in Jul-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.

Imminent Benefit Changes

Further reductions to the Benefit Cap

The Government plans to further reduce the 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 started in Camden on 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
- 1% reduction in Social Sector Rents for 4 years - April 2016; postponed for one year for supported and sheltered accommodation
- 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
- 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 for tenancies starting April 2016 and for supported accommodation for tenancies starting April 2017
- 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